

HOUSE OF REPRESENTATIVES—Tuesday, November 5, 1985

The House met at 1 p.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
November 4, 1985.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Tuesday, November 5, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, gracious God, to use the gifts available to Your people—the gifts of charity and justice, of wisdom and knowledge, of forgiveness and mercy, of grace and love and peace. May we recognize our responsibility to use Your gifts wisely, making good use of the time. We pray in Your holy name. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 126. Joint resolution to designate the week of November 3, 1985, through November 9, 1985, as "National Drug Abuse Education Week"; and

H.J. Res. 282. Joint resolution designating the week beginning October 27, 1985, as "National Alopecia Areata Awareness Week."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2965. An act making appropriations for the Departments of Commerce, Justice,

and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1986, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2965) "An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1986, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUDMAN, Mr. LAXALT, Mr. STEVENS, Mr. WEICKER, Mr. HATFIELD, Mr. SPECTER, Mr. HOLLINGS, Mr. INOUE, Mr. BUMPERS, Mr. CHILES, and Mr. LAUTENBERG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 130. Joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week";

S.J. Res. 213. Joint resolution to designate January 19 through January 25, 1986, "National Jaycee Week"; and

S.J. Res. 219. Joint resolution to designate the week of February 9, 1986, through February 15, 1986, as "National Humanities Week, 1986."

APPOINTMENT OF CONFEREES ON H.R. 3424, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1986

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3424) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1986 and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky? The Chair hears none and, without objection, appoints the following conferees: Messrs. NATCHER, SMITH of Iowa, OBEY, ROYBAL, STOKES, EARLY, DWYER of New Jersey, HOYER, WHITTEN, CONTE,

O'BRIEN, PURSELL, PORTER, and YOUNG of Florida.

There was no objection.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

STEVEN McKENNA

The Clerk called the bill (H.R. 1598) for the relief of Steven McKenna.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PAULETTE MENDES-SILVA

The Clerk called the bill (H.R. 2316) for the relief of Paulette Mendes-Silva.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

DO WE NEED COMPETITION BETWEEN FEDERAL MEDICAL FACILITIES?

(Mr. ROWLAND of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Georgia. Mr. Speaker, I take this time to advise the Members of another opportunity to impact on the budget deficit. Last week we passed the DOD Appropriation Act of 1986 and the conference report on the Veterans Health Care Amendments of 1985. In addition, we found ourselves enacting legislation which would drastically reduce our budget deficits over the next 5 years. I draw these three bills together for your attention because in them I find an opportunity for achieving cost savings to the Government. In fact, as chairman of the House Grace Caucus' Task Force on Health, this is the kind of issue that I believe could be more appropriately addressed through a greater sharing of resources.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I am particularly concerned about this today as the result of a newspaper article discussing the Federal medical facilities in Augusta, GA. The DOD bill appropriated additional funds to assist in reaching acceptable levels of staffing at the Eisenhower Army Medical Center. The VA bill includes a provision to ensure the equitable distribution of medical facilities throughout the United States. As the Members will recall, our alternative to Gramm-Rudman-Hollings may well require substantial cuts in VA and DOD medical programs. According to that news item, the Army hospital has insufficient nurses, while the VA hospital doesn't "have enough work for their nurses." Further, General Lanoue, Eisenhower's director, wants to establish a ward at the VA for his hospital's doctors to work along with VA nurses. Unfortunately that may not be as simple as it should be. As he points out: "The VA is totally separate from the Department of Defense, but we both are Federal hospitals, and it seems there should be a way for us to work this out." He adds, "But there's a thicket of redtape we all must face."

Mr. Speaker, it's about time we started to seriously address that redtape rather than indiscriminately applying a meat ax to our medical programs. Surely, we can find ways to end this senseless competition for manpower and financial resources. By so doing we could plan rational reductions without threatening the quality or level of services we provide to our citizens.

MEETING EPA'S VEHICLE EMISSION INSPECTION COMPLIANCE STANDARD

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, it has been 6 months since the EPA announced it would initiate procedures to cut Federal transportation funds to Lake and Porter Counties unless the State of Indiana took steps to improve the vehicle emission inspection compliance rate.

It is my pleasure to report today that great progress has been made toward meeting EPA's minimum compliance standard of 90 percent.

In April, only 48 percent of the region's vehicles had been inspected and no enforcement mechanism existed. As of last week, the compliance rate had soared to 80 percent and the State was well into a new program of ticketing vehicles which did not display an inspection sticker.

It is possible that we will reach the 90 percent compliance rate by the end of the year.

The credit for this turn around goes to Governor Orr, local law enforce-

ment officers, the mass media and the Indiana Vocational Technical College [Ivy Tech] which runs the inspection program.

I have written to the EPA asking that they review these latest figures and take note of the good faith efforts which have been made toward emission compliance.

I believe those efforts should be rewarded by lifting the threat of sanctions.

SATELLITE EARTH STATION DAY

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, hundreds of home satellite Earth station owners, dealers, distributors, and manufacturers assembled last Wednesday on the Washington Mall to celebrate "Satellite Earth Station Day," the first anniversary of the signing of the Cable Communications Act of 1984 which affirmed dish owners' legal rights to receive unscrambled cable satellite programs.

Mr. Speaker, it was an impressive display of this new communications technology. It is a growing one, and it enables many citizens for the first time to receive a variety of educational, informational, and entertainment programming.

But the work of the Congress must continue. Many networks and programmers have announced that they will soon begin to scramble their signals—effectively locking out millions of Americans who, only with the advent of the satellite dish, can now view this programming.

Mr. Speaker, we must ensure that citizens have access to these and other programming at fair and reasonable prices. Although program distributors have the right to charge for their services, the decoding equipment—necessary to unlock the scrambled signals and the signals—must be available at reasonable and competitive rates. I have introduced H.R. 1840 to ensure that this occurs.

Among the speakers at the first anniversary celebration Wednesday was Congressman TIM WIRTH, chairman of the Telecommunications Subcommittee of Energy and Commerce, who announced that hearings will be held in January to look into these issues. This is welcome news to satellite owners, distributors, manufacturers, and many of us who worked on the Cable Communications Policy Act of 1984.

THE ROLE OF SOCIAL SECURITY RECIPIENTS IN ATTACKING THE FEDERAL DEFICIT

(Mr. SHAW asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, in the last 2 weeks we have finally seen the Federal deficit's potential for economic disaster realized. Because of an inability to agree on debt ceiling and balanced budget legislation, the Social Security Trust Fund has been divested of its surplus. But I would like to take this opportunity to clear up some common misperceptions that are circulating on whose fault this really is.

When the House passed the Gramm-Rudman version modified by the Democrats, it was with the knowledge that the Senate would never accept it. The House then voted to adjourn, ending all chances of reconciling the differences before the deadline for divestiture of the Social Security Trust Fund. This was an irresponsible action by the majority party in the House and it is that which will cost the Social Security Trust Fund millions of dollars.

I for one feel that the Social Security recipients of this country have already been called upon enough in our fight to eliminate the Federal deficit.

Two critical points have been proven in this exercise. The first one is that it is not the Democrats who have the best interest of Social Security at heart—it is the Republicans. And the second one is that without Gramm-Rudman we are only going to see more financial disasters like this one, not less.

□ 1310

WHITE HOUSE CHARGED WITH MISHANDLING MEDVID CASE

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, I rise to voice my anger over the recent mishandling by White House, U.S. State Department and Immigration and Naturalization Service [INS] officials of Ukrainian sailor Miroslav Medvid's possible request for political asylum.

First of all, the United States has long championed international respect for basic human rights. Our concern about the imprisonment within the Soviet Union of such brave individuals as Anatoly Scharansky and Irina Ratushinskaya, and the oppression of other Soviet dissidents including Andrei Sakharov, has been cheapened by our handling of the Medvid case.

Here we have a Soviet sailor who attempted twice to escape from a Soviet vessel in United States waters, who reportedly upon his first attempt was severely beaten after being returned to his vessel, and who was returned after his second escape attempt by our INS officials. Mr. Medvid remains there a virtual prisoner—unable to communi-

cate further with United States officials except at the pleasure of the Soviet captain. We can well imagine what fate awaits Mr. Medvid upon his return to the Soviet Union.

Second, my colleague, Congressman EDWARD FEIGHAN, and I have expressed the concern of several of our constituents who may be relatives of Mr. Medvid, but the White House is stonewalling us. Our constituents are currently in New Orleans with other individuals who seek to communicate with Mr. Medvid and to advise him of their presence.

On Friday, November 1, Congressman FEIGHAN and I sent a telegram to President Reagan urging him to detain the Soviet vessel *Marshal Konev* in United States waters until contact is made directly with Mr. Medvid at a neutral site by Immigration and Naturalization Service officials again, and by what may be his family, and until Mr. Medvid is able to make his desires more clearly known. Yesterday, Congressman FEIGHAN and I sent a letter to Ambassador Anatoliy Dobrynin urgently requesting that our constituents be permitted to communicate directly with Mr. Medvid.

Please join me in our appeal to President Reagan and the Justice Department to take immediate and corrective action to insure that the human rights of Mr. Miroslav Medvid are afforded him while he is here in the United States. This young sailor is entitled to every opportunity under law to pursue political asylum in what he has described as an "honest country."

If the Reagan administration cannot stand up for a Ukrainian freedom-fighter in our midst, what is Mikhail Gorbachev to conclude?

LEGISLATION TO GUARANTEE REPLENISHMENT OF SOCIAL SECURITY TRUST FUNDS

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARCHER. Mr. Speaker, on a Richter scale of Social Security crises, the disinvestment of the trust funds certainly has a high magnitude. In order to minimize the aftershocks, I want to reassure beneficiaries and workers that Congress will enact legislation to credit the trust funds for the interest lost during the debt ceiling crisis.

No program enjoys such broad support as does Social Security. The issue is not whether Congress will act to restore that lost interest—but how.

My colleague from Nebraska, HAL DAUB, and I are introducing legislation which will both make the Social Security trust fund whole when this immediate debt limit crisis is resolved and to provide that the Social Security trust

funds cannot be used in this manner again in the future.

Specifically, the so-called advance tax transfer mechanism in current law has outlived its utility and needs to be modified so that the Social Security trust funds directly receive the payroll taxes, rather than diverting them through general revenues.

It's imperative that we adopt this corrective legislation as quickly as possible so that public confidence in Social Security is restored and so that the trust funds themselves are completely replenished.

ROANOKE VALLEY, VA, SUFFERS WORST FLOODING IN HISTORY

(Mr. OLIN asked and was given permission to address the House for 1 minute.)

Mr. OLIN. Mr. Speaker, yesterday and last evening the lion's share of the Sixth Congressional District of Virginia suffered its worst flood in recorded history. The worst problem was in the Roanoke Valley, Roanoke County, and Salem, where the waters of the Roanoke River rose 23 feet. Countless businesses and homes have between 10 and 15 feet of water in them. This is worse than Hurricane Camille that hit us in 1969.

The storm was widespread. It included not only the Roanoke Valley but the cities of Buena Vista, Waynesboro, Covington, and Clifton Forge, and the counties of Botetourt, Alleghany, Rockbridge, Augusta, Bath, and Amherst.

Federal agencies, represented by the Corps of Engineers and the Federal Emergency Management Agency, are on the scene. They are working well in a coordinated fashion to deal with the immediate problem of getting people into a safe situation and restoring vital services of power, water, and so on.

The Governor has declared that these areas are in a state of emergency. I fully expect that the Governor will determine that the degree of damage is sufficient to call the Federal Government into the act, and we expect the President to be asked within a matter of days to declare a state of emergency.

Mr. Speaker, I urge the President, when this request comes, to act on it affirmatively. We have a very serious disaster in this area.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION AND SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON VARIOUS DAYS THIS WEEK DURING THE 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Sub-

committee on Surface Transportation of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule on Tuesday, Wednesday, and Thursday of this week; and further, Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule on Thursday next.

The SPEAKER pro tempore (Mr. DE LA GARZA). Is there objection to the request of the gentleman from Illinois?

There was no objection.

POLITICAL ASYLUM FOR MIROSLAV MEDVID

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, information is coming to light on a daily basis on the Miroslav Medvid defection, and all of this information points to the fact that this young Ukrainian sailor wished to defect. We have the interview with Irene Padoch. This is the original interview before he was taken back on the Soviet ship. We have the affidavits of the Wyman family whom he first saw when he jumped off the ship. We have the possibility that Miroslav Medvid actually has family within the United States.

Today, Mr. Speaker, I am introducing a resolution calling upon the President to conduct a complete investigation into whether or not Miroslav Medvid was accorded the proper rights and due process to be accorded in cases of this kind. If he was not accorded these proper rights and due process, I would ask that he be accorded these rights, and if he, after being accorded the appropriate rights and due process, decides to stay in the United States, that he be granted political asylum.

Mr. Speaker, I urge my colleagues to support this resolution of the Congress to the President.

GRANTING ASYLUM

(Mr. CROCKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROCKETT. Mr. Speaker, a Soviet sailor who jumped ship and who may have been seeking asylum in this country, is returned to his ship by United States immigration agents and the ensuing newspaper and TV outcry echoes in our ears. Attorney General Meese is reportedly outraged and the President orders an investigation.

One could wish that the President and the media had shown the same outrage and concern for the hundreds

of Haitians and Central Americans who have been summarily deported or imprisoned by that same Immigration Service in response to their request for asylum here from political persecution in their native lands.

In fact, today 11 individuals are on trial in Arizona for their efforts to provide sanctuary for Salvadorans seeking asylum, and hundreds of Haitians are still confined in our Federal detention centers.

This recent concern for the Soviet sailor and the tactical silence on the plight of the Haitians and Central Americans highlights and is indicative of the discriminatory treatment we accord refugees from Third World countries who seek asylum on our shores. Our concern and the protection of our laws should extend to all who seek a safe haven here from political persecution. And that law should and must be applied to all in the non-discriminatory and humane spirit in which it was written.

THE IMPACT OF THE DEFICIT REDUCTION AMENDMENTS ON FARM PROGRAMS

(Mr. DAUB asked and was given permission to address the House for 1 minute.)

Mr. DAUB. Mr. Speaker, one indication of sincerity is consistency. Initial opposition to the Gramm-Mack proposal was that it would force drastic cuts. Now with the Democratic amendment forcing far deeper cuts in many programs in the first year, the criticism seems to now be that Gramm-Mack doesn't cut enough.

As an example, the Rostenkowski amendment to Gramm-Mack will devastate the very heart of our support for the beleaguered American farmer. This basic support is in the form of deficiency payments. Under the Rostenkowski amendment, this program will be cut, assuming they are applied proportionally, by 6.7 percent in this fiscal year. Talk about balancing the budget on the backs of farmers!

This is not a remote possibility, this is what the House has already voted for in adopting the Rostenkowski amendment. Either the proponents of this amendment care more about partisan politics than the American farmer or they made a mistake.

While explaining this vote to farmers will be tough, it is going to be even tougher explaining a 6.7 percent target price cut which is written into law. That is why we can't let this get into law. Compared to a 6.7 percent cut, the most Gramm-Mack would reduce deficiency payments is 2 percent. Gramm-Mack treats farmers far more fairly because the cuts are distributed across the board and there is no phony chest beating about taking it out of the budget in the first year.

Mr. Speaker, farmers deserve better than this. Let's adopt Gramm-Mack to responsibly reduce budget deficits without treating them as pawns of partisan politics.

□ 1320

THE BEGINNING OF DEMOCRACY IN GUATEMALA

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, this weekend I cochaired a delegation of a handful of Members of the House and the Senate down to Guatemala as official United States observers of their election Sunday. They had their first election for a civilian President in about 35 years.

Accompanying me from the House were Congressman JOHN MCCAIN of Arizona and Congressman ATKINS of Massachusetts.

There are a couple of points I would like to make quickly for the House's benefit.

First, we could not see everything in Guatemala, but what we saw we liked. The turnout was heavy, the crowds were patient and the process seemed fair. The army was not in evidence. All of the political parties, and there were eight of them, expressed in the election. Even though six of them turned out to be losers, they still expressed confidence.

Now, we did not see everything, but what we saw we liked.

Second, a single day does not a democracy make. They have a long way to go.

And third, I am proud of the fact that they did so well on a single day.

It is in the best interest of all Americans, whether they live in Guatemala or the United States, that the move to democracy begun Sunday in Guatemala continues.

STREAMLINING FINES AND COSTS COLLECTED BY U.S. MAGISTRATES

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, today I am introducing a bill which would streamline the method by which fines and costs paid to U.S. magistrates are disposed of. Under the present system, Mr. Speaker, the kinds of fines and costs that can be levied by U.S. magistrates in those kinds of cases in which he is permitted to do so, those fines and costs are payable now to the U.S. Attorney's Office. Many times it appears that the U.S. Magistrates Office and the U.S. Attorney's Office could be literally miles apart. Sometimes those fines and costs go unpaid and

even when they do, they cause a great deal of inconvenience to everyone concerned, including the defendant who has to pay those fines and costs.

We ought to revert to the previous system whereby the fines and costs for the entire court system be paid into the clerk of courts. That is what this bill does. It will cause for the first time in a long time to have a streamlined methodology by which fines and costs paid at the lower level of Federal justice, at the U.S. magistrate's level, be paid directly to a single collector; namely, the clerk of courts.

PRESIDENT SHOULD RECOGNIZE AND HELP RESOLVE NATION'S CRITICAL NEED FOR STRATEGIC MINERALS

(Mr. REID asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REID. Mr. Speaker, recent events in South Africa have caused us to focus attention on our Nation's strategic minerals policy and how we can reduce our own vulnerability to foreign supply disruptions.

There's no easy solution to this problem. We need to develop a long-term plan and new technologies to overcome our dependence on vital resources found elsewhere in the world.

Fortunately, we already can increase our efficient use of metals through recycling and improved manufacturing processes.

Congress recognizes the need for new developments, too. That's why we passed the Critical Materials Act more than 1 year ago. Now a law, it mandates that a special council assess our critical materials situation and create a plan for the development of substitute materials.

Unfortunately, the President has not yet appointed the council. And the administration has compounded this delay by calling for a 96-percent reduction in existing mineral stockpiles.

As the representative of a State that contributes greatly to the mineral strength of this Nation, I urge the President to recognize and help resolve this Nation's critical need for strategic minerals in terms of economic strength and national security.

CONGRESS SHOULD STAY IN SESSION ON FRIDAYS AND FINISH ITS BUSINESS

(Mr. SUNDQUIST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SUNDQUIST. Mr. Speaker, I noticed with interest the hand wringing and the attention that has been given to why we have to disinvest from the Social Security Trust Fund and

the blaming that is going on. I would say that anybody who uses the Social Security issue as a political issue is wrong and unfair to our elderly.

I noticed with interest, Mr. Speaker, that the senior Senator from Kansas and the distinguished majority leader said words to the effect that he understands the problems of the House, that we have to leave this body at 5:47 on Friday afternoon, and maybe we are afraid to meet after dark.

I think maybe some criticism is correct of this body. I think it should be clear to everyone who observed what went on Friday, we saw pure politics. We saw a House bill that was hastily drafted, sent over to the other body, and then what happened—we leave and are unwilling in this body to try to work with the other body and to come and bring this to some conclusion.

We are seeing politics at its worst.

So I ask, Mr. Speaker, this week instead of leaving at 5:47 when there is lots of work to do, let us see if we cannot one time on a bipartisan basis stay and solve the problem.

THE VITAL CALIFORNIA SANTA ANA RIVER MAIN STEM

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, later today the House will take up H.R. 6, or the substitute for H.R. 3670, containing authorization for various rivers and harbor projects for the Corps of Engineers. One of those projects, the so-called Santa Ana River main stem in California, is of vital importance to my district. Unfortunately, the part that is of vital importance to my district has not yet been approved by the Corps of Engineers or the administration. I am reluctant to vote for or approve the bill under these circumstances.

I will, therefore, offer an amendment to strike this particular project so that I may have some voice in determining what the final approved design of this particular project will be, because it is of such vital interest to the constituents in my district.

I will take further time, of course, during general debate and on amendments to explain the detail of why I propose to strike the project at this time, but I take this time merely to alert my colleagues to take a close look at this particular project, which is the only one not yet approved that is contained in this bill.

GO TELL IT ON THE MOUNTAIN, BRAD REYNOLDS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the Reagan administration is of two minds. One part wants to tell the truth about what it is up to; the other side doesn't.

But one thing is sure, Reagan's minions must have missed the civil rights movement the first time around. Otherwise, why the rush to claim themselves a second generation of advocates come down from the mountain-top to make a new revolution, truth or no truth?

Mr. Reagan's foot soldiers are fast at work. On Monday, the New York Times revealed the administration's hidden gospel. Vice Chairman of the U.S. Commission on Civil Rights Morris B. Abram, claimed before the world the home truth of his agency on women's and minority rights:

"Comparable worth moves from the assertion of civil and political equality, which we all support, to economic and social equality, which many of us do not support."

In today's Washington Post, Assistant Attorney General Brad Reynolds, tells us how you can be for civil rights and against social equality. You just say you are. First, you claim you are the legitimate heir to the Reverend Martin Luther King, Jr.; second, you proclaim that those who actually walked with King from Memphis to Montgomery have lost touch with what minorities really want; and finally, you wage a campaign of misinformation and fear.

But I ask you, how can you be for civil rights if you are against social rights?

It looks as if Mr. Reynolds has a new wrap. But the truth is it's warped. We can still look through it and see it is the same old sham.

THE WALKER PLEA BARGAIN IS A DISGRACE

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, last week, the Justice Department announced a plea bargain in the Walker case. For years, two men had committed treason against this country but would not feel the full brunt of American law. Instead, these traitors will be the beneficiaries of a plea bargain.

The reason offered by the Justice Department for this plea bargain is that the Walkers will tell us what they had sold to our enemies. And for this, they would receive leniency.

This is wrong, and is a perversion of our legal system.

The Walkers should have been tried, and should have received the maximum sentence. They should not have been allowed to improve their positions by selling the same information

twice—this time not for money but for years in a prison sentence.

The Justice Department should remember that other once and future spies will look at this case and decide that they too can commit further treason against this country—if they keep a detailed record of the secrets they sold.

We should hold the Walkers up as an example—if you commit treason, you will pay for it.

The real crime in plea bargaining with the Walkers would be the possible erosion of America's newfound patriotism.

RONALD REAGAN, THE COOKIE MONSTER

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, most Americans are familiar with Sesame Street's famous Cookie Monster, whose role in life is to search for cookies, cookies, and more cookies.

Well, we have discovered a new Cookie Monster, named Ronald Reagan. Ronald Reagan has found his way into the Federal Treasury and is madly gobbling up all the goodies in sight.

Apparently, near the end of the summer, President Reagan secretly invaded the Social Security Trust Funds and gobbled up billions of dollars, which had been carefully invested to ensure the solvency of the Social Security Program. A second invasion occurred last weekend. Now Social Security may not be able to meet its obligations next month.

Mr. Speaker, since August this House has voted three separate times to avert a fiscal crisis and to protect these Social Security funds from the administration's monkey business. In all three cases, we were met by opposition from the President, inaction by the other body, and indifference by the Republican Party.

Mr. Speaker, the people of this country should be assured that the Democratic leadership in this House is determined to force a restoration of these stolen funds. However, it is regrettable that finally the Republican Cookie Monster was allowed to get his hands into the Social Security cookie jar, because, unfortunately, all that is left are the crumbs.

CONGRATULATIONS TO GUATEMALA FOR FREE AND FAIR ELECTIONS

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, today, as we exercise the most precious right of democracy, the right to vote in free and open elections, I believe we should take a moment to recognize and congratulate Guatemala for its significant democratic achievement in completing free and fair elections on November 3. The Washington Post reported today that the unofficial results of the Guatemalan election show Vinicio Cerezo, the Christian Democratic candidate, to be the winner of the Presidential contest. Most notably, Cerezo, a representative of the center-left, "hailed the role of the current military chief of state * * * and said there was no Army intervention in yesterday's balloting." This view was echoed by the bipartisan American delegation, headed by Senator LUGAR, which served as election observers.

With this momentous accomplishment of peacefully exchanging military for civilian rule, Guatemala joins the growing group of Central American nations that are successfully establishing democratic governments. Together with Costa Rica, Honduras, Panama, and El Salvador, Guatemala is working to create a political environment in which broad and lasting social and economic reform can take place. In a region of vital importance to the security and foreign relations of the United States, the advancement of Central American democracy provides evidence of the positive results of U.S. encouragement and diplomacy. Only in Nicaragua does the impetus toward democratic progress continue to be forcefully repressed; only when the Nicaraguan Government makes peace with its population and with its neighbors will the democratic achievements of Guatemala and the other nations of the region be secure.

□ 1335

WE NEED FAIR TRADE NOW

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, last week, Mr. John Fry, president of Wheeling-Pittsburgh Steel Corp., contacted me to express once again his dismay at this administration's trade policy and its abandonment of "Basic Industry America."

Mr. Fry repeated that unfair foreign steel imports are capturing America's domestic market at historically high percentages. I advised Mr. Fry that it is apparent that the President and his administration are not committed to reducing imports, pure and simple.

Last year, the Fair Trade in Steel Act was moving through the Congress when President Reagan sidetracked the effort by promises that he would negotiate voluntary restraints. He

promised to limit imports of steel to 18.5 percent of the domestic market; however, events have given that promise a hollow ring as steel imports into this country have averaged 26 percent during the last 12 months, and reached 30 percent in the month of September.

Those cold statistics translate into thousands of real, live, unemployed steelworkers.

Mr. Fry, I am afraid the President's steel import policy is a good example of his trade policy generally. It is not so much a trade policy at all. It is a political damage control policy. When criticism runs high, he promises action that somehow never materializes.

We need fair trade now.

YOUTH EMPLOYMENT OPPORTUNITY WAGE ACT OF 1985

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I rise today in support of the Youth Employment Opportunity Wage Act of 1985. It was introduced earlier this year by my good friend and colleague TRENT LOTT.

Teenage unemployment, especially among blacks and Hispanics, is a deadly serious national problem. However, we can improve the situation by passing the bill of my colleague, the gentleman from Mississippi.

Think about it for a moment. Who bears the burden of the minimum wage? In economic parlance they are the marginal workers, or those whom employers perceive as being less productive or more costly to employ than others. Unfortunately, youths in general, and minority youths in particular, are most heavily represented in this category.

Thus, the minimum wage has actually worked against minority employment. Yet we still hear arguments for its retention from labor unions. The unions claim that a youth subminimum wage would be exploitation. In fact, unions are merely trying to eliminate low-wage competition, but what better way to do it than with a minimum wage that is higher than what many unskilled workers are worth.

The real problem is not that people are underpaid, but that they are underskilled. And the only way our youths are going to pick up the skills that they need to compete in the marketplace is by getting that all important first job in the private sector, and learning how to set an alarm clock and go to work.

For many youths that first job is their best shot at a decent future for themselves and their families. I would therefore urge my colleagues to put aside their well intentioned, but misguided, support for a minimum wage

for unskilled young workers that only fosters minority unemployment and lessens competition. I ask my colleagues to support the Lott bill, H.R. 1811. By doing so this Congress will be taking a strong stand for free enterprise and against minority youth unemployment.

THE REAL TRUST BUSTERS

(Mr. LOTT asked and was given permission to address the House 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, I can only sit still for just so much cross-finger pointing on Social Security. Last Friday, the House of Representatives, as a matter of fact, passed a defective debt ceiling increase and kicked it over to the other body and then left town.

When we get down to it, the only vote that really counted was on whether or not we would stay around here Friday to stop disinvestment of the Social Security Trust Fund. Democrats voted 205 to 28 to adjourn and leave town before waiting to see if the Senate would act on this important issue, and also so that we could learn that we had made a mistake in the way we passed that deficit reduction package.

By your votes ye shall be known as the real trust busters.

WATER RESOURCES CONSERVATION, DEVELOPMENT, AND INFRASTRUCTURE IMPROVEMENT AND REHABILITATION ACT OF 1985

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 305 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 305

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6) to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure. All points of order against the consideration of the bill for failure to comply with the provisions of sections 311(a), 401(a), and 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution and which shall continue not to exceed three and one-half hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be considered for amendment under the five-minute rule. In lieu of the committee amendments now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text

of the bill H.R. 3670 as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections, and each title shall be considered as having been read. All points of order against said substitute for failure to comply with the provisions of clauses 5(a) and 5(b) of rule XXI, and clause 7 of rule XVI, are hereby waived. No amendment to said substitute shall be in order which changes title XV. It shall be in order to consider en bloc the amendments to the substitute printed in the Congressional Record of November 4, 1985, by, and if offered by, Representative Howard of New Jersey or his designee, said amendments shall be in order although changing portions of the substitute not yet considered for amendment, and said amendments shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole, and all points of order against said amendments for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute subject to the preceding sentence. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 305 is the rule providing for the consideration of the bill H.R. 6, the conservation and development of water-related resources as well as improvements and rehabilitation of the Nation's water resources infrastructure. The bill will be considered under a modified open rule.

Mr. Speaker, the rule provides 3½ hours of general debate, equally divided between the chairman and ranking minority member of the Committee on Public Works and Transportation. Under an agreement between the committees, time will be yielded to the three other committees to which H.R. 6 was sequentially referred.

Mr. Speaker, prior to Rules Committee consideration, the four committees responsible for this bill negotiated a substitute text to be used as the basis for consideration. Reflecting this agreement, the committees accepted an arrangement under which general debate time is controlled by the Committee on Public Works and Transportation. I would note that the Rules Committee acted on the basis that there was a clear agreement on how time would be allocated. However, it was felt that this arrangement would provide greater flexibility in debate,

and possibly reduce the total time that would be needed.

I should stress that there is ample precedent for committees waiving time to which they are entitled, based on having received referral. Rules Committee action in allotting time does not affect the Speaker's authority in appointing conferees, nor does it have any standing as a precedent with respect to future referrals.

Mr. Speaker, the rule provides three waivers of points of order. However, I would point out that the rule provides for an amendment in the nature of a substitute to be considered as original text. The rule provides no Budget Act waivers for the text that the Clerk will actually read for amendment. Let me repeat, because it often causes confusion, that the Budget Act violations in the text are effectively cured by the amendment in the nature of a substitute made in order by the rule.

Mr. Speaker, H.R. 6 violates section 311(a) of the Budget Act. H.R. 6 contains several sections, subject to that point of order, creating new entitlement authority, not limited to the amount provided in appropriation acts, for a national board on water resources and policy and for certain project modifications.

The amendment in the nature of a substitute cures this Budget Act violation, which makes the waiver of section 311(a) purely technical.

Section 401(a) of the Congressional Budget Act prohibits the consideration of any measure which provides new contract authority unless such authority is limited to amounts provided in advance in appropriation acts. H.R. 6 authorizes borrowing not subject to appropriations. Mr. Speaker, section 107 of the bill authorizes borrowing by the Secretary of the Army to pay guarantees under the Federal port navigation project finding fund. This borrowing authority is not limited to advance appropriations, and thus the waiver of 401(a) is necessary.

However, the substitute, which will be considered as original text, cures this Budget Act violation. Mr. Speaker, this Budget Act waiver is a purely technical waiver that would allow for the consideration of the bill.

Mr. Speaker, House Resolution 305 also waives points of order under section 402(a) of the Congressional Budget Act against consideration of the bill. Because H.R. 6 authorizes new budget authority for fiscal year 1986, and was not reported by May 15, 1985, the bill is in violation of section 402(a). Mr. Speaker, this bill was referred to four committees. Because of the issues involved it was not feasible that the committees could report a bill of this size by the May 15 deadline. The waiver was granted in order to permit consideration of the bill in the House.

Mr. Speaker, as I stated earlier, H.R. 6 was sequentially referred to three committees. In order to expedite the process the committees agreed upon an amendment in the nature of a substitute to be considered in lieu of individual committee amendments to the bill. The Committee on Rules made in order an amendment in the nature of a substitute consisting of the text of H.R. 3670 as original text for the purposes of amendment. The substitute will be considered for amendment by title rather than by section, and each title will be considered as read.

In order to allow for the consideration of this amendment in the nature of a substitute, the Committee on Rules waived clause 5(a) of rule XXI, which prohibits appropriations in a legislative bill, this waiver was granted because several sections of the substitute call for some type of modification or redirection of prior appropriations.

In addition, House Resolution 305 waives clause 5(b) of rule XXI against the consideration of the substitute. Clause 5(b) prohibits the consideration of an amendment carrying a tax or tariff measure during the consideration of a bill reported by a committee having no tax or tariff jurisdiction. House Resolution 305 also waives points of order against the substitute for failure to comply with clause 7 of House rule XVI, the germaneness rule.

Mr. Speaker, this is an open rule, except that it prohibits any amendment changing title 15 of the substitute, which is the portion of the bill for which the Committee on Ways and Means is responsible.

Finally, Mr. Speaker, House Resolution 305 makes in order the en bloc consideration of amendments printed in the CONGRESSIONAL RECORD of November 4, 1985, to be offered by Representative HOWARD of New Jersey or his designee. The amendments shall be in order although changing portions of the substitute not yet considered for amendment. The amendments shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole, and all points of order against said amendments for failure to comply with the provisions of clause 5(a), rule XXI, are waived.

In addition, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, this bill represents the best effort of four congressional committees; Public Works and Transportation; Merchant Marine and Fisheries; Interior and Insular Affairs; and Ways and Means. These committees devoted a lot of time and energy in reporting a fair bill that is long overdue. The last water resources development bill to be signed into law was in 1976, the last construction authorization bill became law in 1970. As a result, this bill is

quite complicated due to the need to address a 15-year backlog of proposed projects.

Mr. Speaker, there are many critical issues contained in this bill, and there are still some areas of controversy. However, House Resolution 305 allows for extensive debate and deliberation as well as the offering of all germane amendments so that the Members will have an opportunity to address their specific needs.

I strongly urge my colleagues to adopt House Resolution 305 so that we may proceed to this important legislation.

□ 1345

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 305 is a modified open rule providing for the consideration of H.R. 6, the Water Resources Act of 1985. The rule provides for 3½ hours of debate to be divided between the chairman and ranking minority member of the Committee on Public Works.

Mr. Speaker, there is some controversy over the allocation of time here since the Committees on Interior, Merchant Marine and Fisheries, and Ways and Means, all had sequential referral and reported on this bill. The Rules Committee, however, decided to give all the time to the Public Works Committee with the understanding that it in turn would allocate 1 hour each to the Ways and Means and Merchant Marine and Fisheries Committees, and one-half hour to the Committee on Interior.

Mr. Speaker, the rule further provides for three Budget Act waivers against the consideration of H.R. 6. The first is section 311(a) of the Budget Act, which prohibits the consideration of any legislation providing spending increases in excess of the aggregate level for spending in the most recent budget resolution. Since H.R. 6 as introduced and reported contains several sections creating new entitlement authority for items including a National Board on Water Resources Policy and certain project modifications, the bill would be subject to a point of order. However, the Committee on Public Works has agreed to offer a floor amendment to cure this violation, and the Budget Committee chairman has consequently indicated he would have no objection to this waiver.

Second, the rule waives section 402(a) of the Budget Act against consideration of the bill. That provision prohibits contract or borrowing authority unless provided for in advance in appropriations acts.

There are some three sections in the bill as introduced and reported which contain either new borrowing or contract authority which has not already been appropriated. Again, the Com-

mittees on Public Works and Merchant Marine have promised to offer technical amendments on the floor to cure these violations, and the Budget Committee chairman has not objected to the waiver with that understanding.

Finally, the rule waives section 402(a) of the Budget Act against consideration of the bill. That section prohibits the consideration of any legislation reported after May 15 preceding the beginning of the fiscal year in which it is to take effect. This bill was reported from Public Works on August 1, and from the other three committees in September. Obviously, that is not something that can be cured by an amendment, but the Budget Committee has agreed to the waiver, given the enormity of the task involved and the negotiations necessary to produce this bill.

Mr. Speaker, following general debate, the rule makes in order the text of the bill H.R. 3670 as an original bill for the purpose of amendment, and the following three House rules are waived against the consideration of that substitute: rule XXI, clause 5(a), which prohibits appropriations in a legislative bill; and clause 5(b), which prohibits revenue provisions in a bill not reported by the Ways and Means committee; and clause 7 of rule XVI, the germaneness rule.

The substitute made in order by the rule folds in title 15 as reported by the Ways and Means Committee, the revenue provisions, and that title is closed to amendment under the rule. Otherwise, the substitute will be read for amendment by title and open to any and all germane amendments. However, the rule first makes in order the en bloc consideration of amendments printed in yesterday's *RECORD* by Chairman HOWARD, waives clause 5(b) of rule XXI against them, and provides that they not be subject to a division of the question.

Finally, Mr. Speaker, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, this is obviously a very complex rule, mainly because we have an extremely complex bill involving a multitude of projects, controversies, and committees. But the fact that we finally do have an omnibus water bill after a legislative drought of some 9 years is a real tribute to all the committees involved in this effort. And it's actually been 15 years since Congress enacted a truly comprehensive water bill.

As a result of our inaction, we have a growing problem of vitally needed new projects being held up while existing completed projects deteriorate for lack of operation and maintenance funds. As our ranking minority member on the Public Works Committee put it before the Rules Committee, "The Nation now has an infrastructure time bomb in its hands."

Mr. Speaker, H.R. 6 authorizes \$18 billion in water projects and programs, including port facilities, inland waterways, flood control structures, hydroelectric powerplants, fish and wildlife mitigation programs, municipal water supply systems, and other water projects. The bill alters the traditional project-by-project cost-sharing arrangements by establishing a standardized cost-sharing formula for construction of ports and flood control projects.

Mr. Speaker, in order to speed port development the bill establishes a new, \$1 billion a year revolving port trust fund to be funded from customs receipts and a new ad valorem tax on imports and exports.

For port improvement projects, the bill establishes a formula for local cost-sharing of 10 percent for ports up to 20 feet in depth; 25 percent for those between 20 and 45 feet, and 50 percent for the excess over 45 feet in depth.

Mr. Speaker, I did question in the Rules Committee whether the House was in a position of having this cost-sharing formula dictated to us by the other body, and was assured that this bill does not go as far as what the other body has proposed. Nevertheless, as a Member representing a port area, I do have concern that these local cost-sharing provisions could jeopardize the continued viability of a lot of ports in this country—ports which are not only vital to our commerce, but our national security as well. I hope this is something we can explore further as we debate and amend this bill.

However, Mr. Speaker, I do support this rule and urge its adoption so that we can get on with considering this historic and long-overdue piece of legislation.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from New Jersey [Mr. ROE], chairman of the subcommittee.

Mr. ROE. Mr. Speaker, I rise in support of House Resolution 305, the rule on H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act. This bill contains project authorizations, authorizations of water resources studies, project modifications, and general provisions affecting the overall Water Resources Program of the Army Corps of Engineers. It also includes a title deauthorizing over 300 unconstructed Corps of Engineers projects or portions of projects, a title relating to water resources policies for all Federal agencies that establishes a new board on water resources policy to replace the currently authorized Water Resources Council, and a title which establishes a Federal interest in single-purpose

water supply projects and establishes a loan program for the repair, rehabilitation, expansion, and improvement of public water supply systems.

The last Water Resources Development Act was signed into law in 1976, and the last true Construction Authorization Act was signed into law in 1970. Consequently, over the past 15 years, a very large backlog of vitally needed water resources projects has accumulated. Detailed testimony and information was received on all these projects, and they have all been analyzed very carefully by our committee.

Our committee has also worked hard to ensure that this legislation is the most environmentally sensitive authorization bill we have ever developed. While the projects recommended by the corps to the committee were planned in full compliance with all existing environmental laws and regulations, the committee, in many instances, has gone beyond the recommendations of the corps to include in the authorizations for many of those projects a number of detailed provisions for the additional protection of environmental values.

We have also addressed the important question of cost sharing in this bill, recognizing the need to address present day fiscal considerations. For port projects, local interests will be required to contribute a portion of the construction costs, ranging from 10 percent to 50 percent, depending on the depth of the port. A uniform requirement for cost sharing is established for flood control projects at a minimum of 25 percent and a maximum of 30 percent. Also, one-third of the costs of the inland waterway projects will be paid out of the inland waterways trust fund, which is constituted from a fuel tax on commercial users of the inland waterways.

I strongly urge my colleagues to support this rule so that we may proceed to consideration of the bill.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 305 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6.

□ 1400

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill

(H.R. 6) to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure, with Mr. BOUCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey [Mr. HOWARD] will be recognized for 1 hour and 45 minutes and the gentleman from Minnesota [Mr. STANGELAND] will be recognized for 1 hour and 45 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I yield 30 minutes of my time to the chairman of the Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. JONES] or his designee, and I ask unanimous consent that he be allowed to yield that time as he wishes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Chairman, I yield 15 minutes of my time to the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL] or his designee, and I ask unanimous consent that he be allowed to yield that time as he wishes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Chairman, I yield 30 minutes to the chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI] or his designee, and I ask unanimous consent that he be allowed to yield that time as he wishes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Chairman, I yield myself such time as I may consume.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the ranking minority member of the Subcommittee on Water Resources.

Mr. STANGELAND. I thank the chairman for yielding.

I would, Mr. Chairman, as the gentleman from New Jersey has just done, yield 30 minutes to the ranking Republican member of the Committee on Merchant Marine and Fisheries, 15 minutes to the ranking Republican member of the Committee on Interior and Insular Affairs; and 30 minutes to the ranking Republican member of the Committee on Ways and Means, and I ask unanimous consent that

those members be able to yield their time as they so choose.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HOWARD. Mr. Chairman, I rise in strong support of H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act. This bill contains project authorizations, authorizations of water resources studies, project modifications, and general provisions affecting the overall Water Resources Program of the Army Corps of Engineers. This legislation includes several policy provisions including deauthorization of some 300 unconstructed Corps of Engineers projects or portions of projects, creation of a new Board on Water Resources Policy to review water resources policies for all Federal agencies and establishment of a loan program for the repair, rehabilitation, expansion, and improvement of public water supply systems.

Mr. Chairman, although this is an extremely complicated piece of legislation that has taken over 4 years of intensive work by our committee to develop, our efforts have been made much easier by the bipartisan nature of the problems addressed in the bill and by the strong support of all members of our committee on both sides of the aisle. In this regard, I would especially like to commend the efforts of our ranking minority member, the gentleman from Kentucky [Mr. SNYDER]—as well as the work of the ranking minority member of our Water Resources Subcommittee, the gentleman from Minnesota [Mr. STANGELAND]. Without their support and cooperation we could never have formulated a bill as comprehensive as this one is. And, of course, the greatest credit of all must go to the chairman of our Water Resources Subcommittee, the gentleman from New Jersey [Mr. ROE] for his tireless work in initially developing the legislation and in subsequently working out the compromises which have enabled it to enjoy such wide bipartisan support.

The last Water Resources Development Act was signed into law in 1976, and the last true Construction Authorization Act was signed into law in 1970. Consequently, over the past 15 years, a very large backlog of vitally needed water resources projects has accumulated. Detailed testimony and information was received on all these projects, and they have all been analyzed very carefully by our committee. As a result, this bill contains numerous authorizations for all types of water resources projects, including navigation projects, flood control projects, shore protection projects, fish and wildlife habitat mitigation projects, and other projects for the conservation and de-

velopment of our Nation's water resources. While the total number of projects appears large, it must be remembered that they represent well over a decade of detailed planning and study of water resources problems throughout the Nation, and will form the basis of the Nation's Water Resources Program for the rest of the century.

Our committee has also worked hard to ensure that this legislation is the most environmentally sensitive authorization bill we have ever developed. While the projects recommended by the Corps of Engineers to the committee were planned in full compliance with all existing environmental laws and regulations, the committee, in many instances, has included in the authorizations for those projects a number of detailed provisions for the additional protection of environmental values where concerns had been expressed.

H.R. 6 is based on H.R. 3678 of the last Congress, which was passed twice by the House by overwhelming votes—individually and as an amendment to the continuing resolution. Final agreement on that legislation, however, was not reached. While the two bills are similar, significant changes have been made in the area of cost sharing. Under the provisions of H.R. 6, non-Federal cost sharing is required for ports. The local share would be 10 percent for port depths of 14 to 20 feet, 25 percent for the increment of depth from 21 to 45 feet, and 50 percent for the increment of depth from 46 to 60 feet, and 50 percent for the increment deeper than 60 feet. In addition, local interests must pay the costs of any necessary lands, easements, and rights-of-way, including spoil disposal areas, but these costs are capped at 5 percent of the cost of the project. In addition, a tax of 0.04 percent is imposed on the value of the cargo loaded on or unloaded from a vessel.

The provisions in last year's bill establishing a local share of a minimum of 25 percent and a maximum of 30 percent for flood control projects is retained. However, an additional requirement that local interests pay 5 percent of the project cost during construction is added.

There are many desperately needed projects that have been denied funding for several years because there has been no authorization bill. During this time there have been attempts to fund some projects on an individual basis without regard to the authorization process. This bill will establish uniform Federal policy for a broad array of water resources projects. By setting policy with this type of legislation, we will allow funding to be based on the need for a project rather than creating a bidding war among local governments to determine which wealthy area can pay the highest local share.

This is the legislation that will maintain the direction over Federal water policy in the Congress, where it belongs, rather than allowing the executive branch to make those decisions.

Mr. Chairman, we hear far too much about the supposedly undesirable effects of water resources development and far too little about the enormous economic and environmental benefits that are associated with such development. The fact is that a careful reading of this bill and of our committee's report—and a careful examination of the history of our Nation's Water Resources Program—easily demonstrates the enormously beneficial role that this program has played and will continue to play in our Nation's development.

Mr. Chairman, I reserve the balance of my time.

Mr. STANGELAND. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. SNYDER] the ranking Republican member of the Committee on Public Works and Transportation.

Mr. SNYDER. Mr. Chairman, I rise in strong support of H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985.

H.R. 6 is a tribute to the full committee chairman, JIM HOWARD, the subcommittee chairman, BOB ROE, and the subcommittee ranking minority member, ARLAN STANGELAND. These men, and many others, have spent days and nights over the course of 3 years on this comprehensive, crucial legislation. Their indepth analysis argues for the strong support I am confident H.R. 6 will receive.

The bill before us today is truly a landmark bill. For example, it takes a major step in forming a nationally coordinated water use policy. It also integrates, for the first time, the authorization and deauthorization of all types of water resource projects with the establishment of an equitable new Federal/non-Federal partnership—including cost-sharing requirements where appropriate. H.R. 6 embodies the belief that Congress can indeed develop a nationally coordinated policy that will ensure maximum benefits from one of our most vital national assets—our water resources.

It has been far too long since we have enacted a comprehensive water resources bill. The last omnibus bill became law in 1976, and the last major water resources construction authorization law dates back to 1970—15 years ago. During this period, our water resources infrastructure has deteriorated to the point where it is now in critical need of repair, rehabilitation and improvement. In addition, because no new projects have been authorized, a large backlog of proposed water resource initiatives has accumulated.

Our bill is a bold and innovative attempt to address these increasing concerns. The size and scope of H.R. 6 represents over a decade of detailed planning and study of national water resource problems. The bill makes numerous changes in the current water resources program to respond to new priorities and the needs of this diverse Nation. At the same time, it balances the need for new policies, including increased non-Federal cost-sharing, with sensitivity for existing economic conditions and important environmental values.

H.R. 6 provides a framework for strengthening our water resources infrastructure. It authorizes studies for potential water resources projects, modification of authorized projects, and construction of new projects for the Army Corps of Engineers. Projects authorized in the bill will strengthen local, regional, and national economies and encourage increased trade, which can improve our balance of payments. The bill contains programs for assistance to communities for the construction, repair, and rehabilitation of water supply systems and for protection from flooding and erosion. H.R. 6 also establishes a National Board on Water Policy to provide a nationwide source of professional expertise and cooperation between Federal, State and local entities.

In addition, the bill deauthorizes many older water resources development projects which have not been constructed and which are no longer necessary.

At the same time, this is a strong environmental bill. It creates a \$35 million Environmental Protection Mitigation Fund and an Office of Environmental Policy within the Corps of Engineers to formulate and carry out corps' policy on environmental quality.

Mr. Chairman, allow me to highlight some of the main features of H.R. 6. Title I deals with port development. In addition to authorizing numerous port projects throughout the country, this title establishes a \$1 billion a year fund to help finance construction, operation and maintenance of port and harbor improvement projects. The fund would be financed, in part, from a 0.04 percent ad valorem tax to be levied on imports and exports which is expected to generate between \$150 million and \$200 million per year in new revenues.

The cost-sharing provisions in title I, so crucial to the continued vitality of our Nation's harbors, largely reflect the recent compromise reached between Senate leaders and the administration. The non-Federal share of construction costs for port improvement projects with depths of 14 to 20 feet would be 10 percent in cash during construction, 25 percent for projects with depths between 20 and 45 feet,

and 50 percent for those with depths greater than 45 feet.

In addition to providing the up-front cash, the non-Federal share would include lands, easements, rights-of-way, relocations and spoil disposal areas up to a maximum of 5 percent of the total project costs.

Title II of the bill authorizes the use of revenues from the Inland Waterways trust fund to finance several locks and dams. Financing for the projects, which are to be built over a 7-year period, would come one-third from the trust fund and two-thirds from general appropriations.

Title III authorizes critically needed flood control projects and increases non-Federal cost-sharing for those projects authorized. Traditionally, local sponsors have been required to provide real estate interests and relocations necessary in connection with local flood protection. These costs have varied from project to project, averaging between 15 and 20 percent. Under our bill, the local interests would be required to provide needed real estate, but would have to provide at least 25 percent, though no more than 30 percent of total project costs. If the value of real estate interests needed for the project is less than 25 percent, the local share will be raised to 25 percent, but local project sponsors will be able to repay the difference over a 15-year period. In any event, the non-Federal interest must pay 5 percent of the costs during the construction period.

Title IV authorizes a variety of shore protection projects, and title V authorizes various mitigation projects. To ensure that any disruption caused by a Corps of Engineers' water resources project is minimized, the bill provides for the development and implementation of mitigation plans consisting of construction requirements, purchase of lands or easements for fish and wildlife purposes, and the development of habitat at projects.

Title VI provides authority for a variety of water resources studies, including a review of the Nation's flood problems and water supply needs.

Title VII modifies many existing corps' projects to reflect new conditions and needs. Like so many other provisions in our bill, this title addresses changed circumstances by authorizing the corps to make modifications to projects where our committee has determined that modifications are necessary.

Title VIII provides for Federal assistance, in the form of loans to local interests, for the expansion, rehabilitation, and improvement of water supply facilities. In a major new initiative to halt deterioration of water supply systems, the bill creates an \$800 million per year water supply loan program, making 50-year loans available for the repair of single and

multipurpose systems. Only applicants who agree to implement suitable water conservation programs would be eligible for the loans.

Title IX provides the necessary authorization to change the names of numerous water resources projects or project features.

Title X is one of the many examples of fiscal responsibility throughout our bill. This title deauthorizes over 300 projects, having a total estimated savings of approximately \$18 billion.

Title XI contains general provisions relating to policies and programs of the Corps of Engineers. It authorizes new actions, increases or changes authorities, and in general provides direction for the corps' activities. It strengthens the role of the corps, including granting authorization for the corps to continue a program for the inspection of dams and to undertake a new national program for the repair and restoration of any publicly owned unsafe dams. For repairs to be undertaken at non-Federal dams, the owner of an unsafe dam would have to provide 20 percent of the repair costs during construction. Moreover, the State or other public agency must then agree to maintain the repaired dam in a safe condition.

Title XII establishes a new National Board on Water Policy to coordinate the broad range of water project activities of the Federal agencies. The Board would develop principles and standards for planning Federal water projects. The title also authorizes a regional/State advisory committee with membership from major water resource regions and funding to States for water resources management programs.

Title XIII provides authority to modify certain bridges over navigable waters that require changes. Title XIV provides for referral of certain mitigation reports to the Committee on Merchant Marine and Fisheries.

Finally, title XV incorporates all of the bill's tax-related provisions, including those related to the collection and administration of special taxes to be paid by the beneficiaries of port and harbor improvement projects and inland waterway projects. This includes establishing a Port Trust Fund from which projects in title I will be funded. Other amounts collected will be retained to help fund navigation improvements along our inland waterways.

The version of H.R. 6 that is being considered is a compromise. It has been agreed to by the Committees on Public Works and Transportation, Ways and Means, Merchant Marine and Fisheries, and Interior and Insular Affairs. The vast majority of the bill's provisions are identical to the bill reported by the Committee on Public Works and Transportation. The few modifications we made were based on

agreements with other committees after those committees reviewed and acted on referred portions of the bill. The final package is a sound piece of legislation representing years of work and reasonable compromise.

Mr. Chairman, I know that the administration does not support the present bill 100 percent. We have agreed, however, to work toward addressing their concerns in conference. None of these matters, however, should impede our continued progress. I fully hope and expect to see H.R. 6 become law very soon.

Since August 1, when H.R. 6 was reported out of the Public Works Committee, many Members have brought additional matters to the attention of the committee. These include changes to items already in the bill, new projects or policies, clarifications, and updates of costs and reports. We have given thorough review to these suggestions and will include many of them in our package of committee amendments.

Mr. Chairman, H.R. 6 is an enormously important piece of legislation. The bill provides the basis on which to chart a strong, steady course for the Nation's water resource needs. H.R. 6 offers a comprehensive approach that takes into account critical economic, governmental, and environmental concerns.

The bill is very similar to H.R. 3678 which passed the House with only 33 dissenting votes in June of last year and was passed again as an amendment to last year's continuing resolution with overwhelming support. H.R. 6 builds upon H.R. 3678's solid framework, but makes various refinements and revisions to reflect an extra year of events and committee analyses. H.R. 6 is a bill we can all support. I urge the Members to give this legislation the strongest possible vote so that we can finally enact in 1985 what should have been enacted years ago.

Mr. Chairman, I yield to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I want to compliment both gentlemen from New Jersey, who worked so tenaciously on this, and the gentleman from Minnesota [Mr. STANGELAND], but also the gentleman from Kentucky [Mr. SNYDER]. As I understand it, you are leaving the Congress, and you have worked for a good many years on this legislation, and I think it is time that some of us say that we appreciate what you have been doing.

We hear a lot about the deficit nowadays; they are always talking about dollars. They do not want to talk about the deficit in terms of the infrastructure in this country, but we are borrowing from our children if we do not replace the infrastructure in this country, just as much as if we borrow dollars that they have to pay off.

Mr. SNYDER. Mr. Chairman, I thank the gentleman for his kind remarks.

The CHAIRMAN. The gentleman from North Carolina [Mr. JONES] is recognized for 30 minutes.

Mr. JONES of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 6 and am pleased that the work of the Committee on Merchant Marine and Fisheries which has been ongoing since the 97th Congress is incorporated in title I of this important measure.

The concern of the Committee on Merchant Marine and Fisheries expressed in this bill is that our merchant fleet already disadvantaged by restrictive activity around the world has been hampered by inadequate port facilities in the United States. The thrust of our action, as incorporated in title I, is to allow vitally needed port construction projects to proceed without undue delay while at the same time preserving the sometime fragile ecology that exists at the margin of land and water. I am pleased that all committees who have considered the port development legislation have accepted the approach we pioneered and have consistently advanced.

In reporting our bill, as part IV of Report 99-251, we were under great time pressures and, as occurs too frequently, some errors crept into our written report. While most are of a clerical nature and are obvious to the reader, there is one I would like to take this opportunity to correct on the record. In its discussion of the cost-sharing formula for port improvement projects, as contained in section 105, the report continued, in its section-by-section analysis, an explanation which would have been appropriate prior to an amendment which was adopted by the committee and which is included in the substitute before this body.

The legislative history on cost-sharing and mitigation measures connected with new port construction should incorporate the following:

The committee also adopted a new paragraph (8) to subsection 105(b). This amendment guarantees that the non-Federal share of port navigation projects authorized prior to 1985 shall be fully credited for the acquisition, construction and operation of lands, easements, rights-of-ways and dredge spoil disposal sites that were constructed to comply with the terms of the original authorization and related purposes.

This amendment guarantees that the State of Maryland will receive a \$53 million credit toward its initial share of the Baltimore Harbor and channels 50-foot project. The \$53 million credit total is the amount it cost the State to acquire lands, easements, and rights-of-ways and to construct the Hart-Miller Island dredge disposal site.

I appreciate the support of all Members for this bill and particularly for title I which has far-ranging effects on the trade of the United States.

□ 1410

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from North Carolina [Mr. JONES] has consumed 4 minutes.

The gentleman from Michigan [Mr. DAVIS] is recognized for 30 minutes.

Mr. DAVIS. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 6, the Water Resources Act of 1985, and to commend the chairmen of the committee and the subcommittee, the two gentlemen from New Jersey; along with the ranking members, the gentlemen from Kentucky and Minnesota; my good friend and colleague from California, Mr. ANDERSON; and all those members and their staffs from the four committees which put together this bill.

It is a compromise, and I think a good one. As was pointed out in the report, it has been 15 years since a comparable omnibus bill has been enacted, and almost 10 years since a new project authorization bill. Development in our Nation, meanwhile, has grown apace, and there is an urgent need to put into place the infrastructure to support that development. Water development, shoreline protection, flood protection and navigation projects and maintenance, are vital to the commerce of our Nation and the protection of lives and property. They are the life blood and life support systems, if you will, of America, especially in an age when we depend so much on our exports of agricultural and manufactured goods to redress our balance of trade.

The investments proposed in this authorization, shared by Federal, State, and local agencies, are investments in our future. They will create jobs, protect lives, and enhance commerce as well as providing environmental mitigation and recreation. I think the cost-sharing provisions are fair, calling for a commitment by the direct beneficiaries as well as the Nation generally.

Mr. Chairman, I specifically and strongly support the provisions in the bill that allow for private, non-Federal firms to plan, design, and construct authorized port projects and to be reimbursed later for those costs, which ordinarily would be a Federal responsibility. If a private firm begins work on a port project that subsequently is authorized, the non-Federal work would be reimbursable.

There are parts of the bill I do not agree with, but I recognize that, in any bill of this nature, compromise should be sought, and the rule allows the full body to work its will.

I urge support for the bill—we need to get on with the work of the Nation.

Mr. DAVIS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this legislation has been a long time in the making—the last major water resources bill was enacted about 15 years ago.

H.R. 6 represents the best efforts of four congressional committees—Public Works and Transportation, Merchant Marine and Fisheries, Interior and Insular Affairs, and Ways and Means. These committees devoted a lot of time and effort to this bill, each concentrating on issues within its area of concern.

There are many critical issues contained in the bill. We have heard from our colleagues on the Public Works Committee the explanation of those provisions that authorize the numerous water projects throughout the country. I want to focus just on the port development provisions of title I.

The sections of title I represent a bipartisan effort of two committees—Public Works and Merchant Marine. They authorize 6 deep-draft port projects and 29 general cargo port projects in sections 101 and 102. Provision is made in section 104 for non-Federal interests to work with the Federal agencies involved to plan and construct projects. The process of getting the various Federal and non-Federal permits approved would be established on a fast track to expedite the process. Federal laws and regulations have been significant contributory factors to the complex and lengthy permit granting process. This bill will resolve some of the delays without sacrificing environmental quality by allowing some aspects of the process to proceed concurrently with others.

A new cost-sharing mechanism is set up in section 105 between the Federal and non-Federal interests. Local authorities will be required for the first time to contribute a share of the costs of construction of port projects. The amount of the contribution will be based, in part, on the depth of the channel to be dredged.

In order to help a non-Federal interest raise some of the money needed for its share of port development projects, section 109 of the bill grants authority to ports to levy port or harbor dues, including tonnage duties or other cargo-based assessments. This authority is limited somewhat by the fact that local ports will not be able to charge a vessel port or harbor dues if the vessel does not need a channel deepened. For example, a vessel with a 16-foot draft could not be assessed a fee to pay for a port to dredge its 18-foot channel down to 20 feet.

The key element of the port development provisions of H.R. 6 is the new Federal charge to help offset some of the Federal costs for operations and maintenance expenses. The Public Works, Merchant Marine, and Ways

and Means Committees all addressed this issue in different ways but with the same substantive result—a new Federal charge of 0.04 percent of the value of the cargo shipped through U.S. ports will be assessed and paid by the cargo shippers to the Federal Government.

The text of the new bill (H.R. 3670) that we will consider today as an amendment to H.R. 6 has been worked out by the four committees involved. It reflects compromises reached by the committees on those provisions that were reported with different language—except for the new Federal O&M charge in title XV. That provision is the language reported by the Ways and Means Committee.

In order to provide for a thorough debate, the Rules Committee granted a modified open rule on H.R. 6 that will allow for consideration of this legislation and some important amendments.

It is absolutely imperative that we enact this bill this year. The national needs for the development of our ports and other water resource projects have reached the critical stage.

Not a single navigation improvement has been initiated in the last 10 years. The U.S. port system clearly lags behind all of the other major maritime nations of the world. This problem was highlighted by the coal export crisis in 1981 when we had the chance to send large quantities of U.S. coal overseas but our ports were not able to handle the fully loaded coal carriers. As a result, this country lost some opportunities to sell our coal. In addition the new, large container ships are having difficulty getting in and out of some of our ports. We cannot allow this situation to go on any longer.

I urge my colleagues to join me in supporting H.R. 6 in order to move this legislation along toward enactment.

Mr. Chairman, I would also like to express my appreciation to the committee leadership for its assistance on a matter that was of extreme importance in my congressional district. The committee has resolved that with an amendment that has been included in this bill. And I would like to address that at this point.

Mr. Chairman, I also would like to express my appreciation to the Committee leadership for its assistance on a matter of extreme importance in my congressional district. Since January 1973, the International Joint Commission [IJC], a body formed by treaty between the United States and Canada that studies and develops policy on issues of concern to both countries, has been regulating the water levels of Lakes Superior, Michigan, and Huron in an effort to keep the levels of the three lakes as balanced as possible, without adversely affecting the level of Lake Superior.

Because Lake Superior, as the upper lake, flows into the other two, regulation is accomplished by either holding back Lake Superior water, or allowing increased flow of Lake Superior water into the lower lakes through 16 compensating gates on the St. Mary's River at Sault Ste. Marie, MI. The action of the IJC in 1973 was the initiation of water regulation specifically attempting to affect the levels of the lower lakes. The action was prompted by record high lake levels on the lower lakes due to rainfall and spring runoff. Prior to 1973, the compensating gates were used only to maintain a certain level in Lake Superior and the St. Mary's River for navigational purposes.

The Emergency Plan of Action, as the 1973 action was called, was formalized as plan 1977, which went into effect in October 1979. Plan 1977 regulates the level of Lake Superior by requiring continuous adjustment of water levels between Lakes Superior, Michigan, and Huron through monthly forecasts. The plan sets 602 feet as the maximum allowable level of Lake Superior, and 598.4 feet as the minimum allowable level. Since the Emergency Plan of Action was initiated and followed by plan 1977, shoreline property owners along Lake Superior have awaited a response to their pleas for a study of the shoreline damage caused by the artificially high water levels of Lake Superior due to the IJC regulation. Such a study would be authorized by this legislation.

In 1985 we have seen history repeat itself. Record highwater levels in Lakes Michigan and Huron, causing millions of dollars of flood damage, led the IJC to close the compensating gates at the St. Mary's River in an attempt to lower the levels of the lower lakes. This regulation has caused Lake Superior's level to reach, and in fact exceed, the 602-foot limit set by the IJC for Lake Superior consequently causing additional shoreline damage along the upper lake.

One of the primary goals and justifications for plan 1977 was to, in the IJC's own words, "preclude any increased risk of exceeding the existing 602 maximum level," of Lake Superior. Since the IJC began its program of balancing the water levels between Lake Superior and the lower lakes, no action has been initiated to find out how much shoreline property damage is being caused. It is of utmost importance, in view of this year's repeat of record high lake levels, that we find the answer to this question.

Certainly I will not argue that the intent of balancing the interest of the three lakes is unfounded. Nor do the interests of property owners along the Michigan and Huron Lakes diminish before that of property owners along Lake Superior. It was in that interest that this regulation amongst the lakes was first considered. However, the level of Lake Superior is the only one that is kept high by artificial means and, as was the case this year, allowed to exceed the limits set by the IJC itself. For these reasons I am encouraged by the inclusion in this legislation of my language authorizing the study of this regulation and its effect

on shoreline property, and I urge its adoption.

Mr. Chairman, I yield back the balance of my time on our side.

Mr. JONES of North Carolina. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I thank the distinguished chairman of the Committee on Merchant Marine and Fisheries for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 3670, to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure.

At the outset, I commend our colleagues, Chairman HOWARD, Congressman SNYDER, Chairman ROE, and Congressman STANGELAND on crafting a fine bill.

As you know, Mr. Chairman, the Congress has not adopted a comparable water development bill since 1970. And no new Army Corps of Engineers project authorizations have been approved by the Congress since 1976. And, as you will recall, this past year, the House, on two separate occasions, overwhelmingly approved an omnibus water development bill only to see it die in the other body.

Of particular interest to me are those sections of the bill dealing with needed projects in southern California. I would like to take just a moment to highlight a few of these that are in and near my district.

It has been estimated that the maritime industry in my State is directly responsible for 138,000 jobs and, as our trade expands with the nations of the Pacific Rim, this figure will undoubtedly increase. I am proud to say that the San Pedro Bay Ports of Los Angeles and Long Beach comprise the largest port complex on the entire west coast. The two ports together annually move approximately 90 million tons of cargo and generate roughly \$2 billion in customs revenue, or 17 percent of the total collections made by the U.S. Customs Service nationwide.

Should the ports continue to experience their traditional annual cargo growth of between 5 and 6 percent, they will, by the year 2020, triple the present volume of trade. This, in turn, will triple customs collections up to an estimated \$6.2 billion annually. Thus, by using simple mathematics, it is easy to see that these two ports are big money winners for the U.S. Treasury and help create a stronger economy.

Among other things, section 101 of this measure applies to the future development of the Los Angeles and Long Beach Harbors. Specifically, \$310 million is earmarked to provide for the deepening of the main channel of the Port of Los Angeles to a depth of 70

feet and the deepening of the main channel of the Port of Long Beach to a depth of 76 feet. Further, 800 acres of land will be created with the dredged material from the project.

This additional 800 acres of land is particularly important to me because it will permit the relocation of the loading and unloading facilities for handling toxic and hazardous materials as well as the storage tanks used for these dangerous substances, away from inner harbor, high-density residential areas where they are today. The need to make this relocation has been a longtime concern of mine.

I would now like to turn my attention to section 617 of the bill relating to the Rancho Palos Verdes shoreline erosion study. The Army Corps of Engineers is authorized to conduct a study, which shall be completed not later than 2 years after the date of enactment of this act, on the feasibility of constructing shoreline erosion mitigation measures along the Rancho Palos Verdes coastline for the purpose of providing additional stabilization for the Portuguese Bend landslide area.

Over the past 25 years, portions of the hillside at Portuguese Bend have moved oceanward in excess of 500 feet. During the 1982-83 winter storms, alone, over 30 feet of coastline has disappeared at Portuguese Bend and there are now two additional slides, Abalone Cove and Klondike Canyon, which have become active in recent years.

Another important feature of H.R. 3670 pertains to the improvement of the breakwater at King Harbor in Redondo Beach. Specifically, section 710 of the bill will: First, provide that all future costs of the dredging and maintenance of the general navigation features at the harbor shall be borne by the United States; second, all breakwaters at the harbor shall be restored to a height of 22 feet and maintained at such height; and third, the U.S. Army Corps of Engineers is authorized to conduct a study, which shall be completed not later than 2 years after the date of enactment of this act, to explore the feasibility of raising the breakwater at the harbor to a height greater than 22 feet.

In recent years, high waves, high waves from winter ocean storms at King Harbor have caused considerable damage and have repeatedly demonstrated the need to improve the breakwater. In 1980 and 1983, storm damages totaled \$4 million and \$2.7 million, respectively. It is imperative that we move quickly in addressing this serious and costly problem.

Last, Mr. Chairman, I would like to address that section of the bill pertaining to the navigation project at Upper Newport Bay. Section 754 authorizes the Army Corps of Engineers to dredge and maintain a 250-foot wide

channel in the Upper Newport Bay to the boundary of the Upper Newport Bay State Ecological Preserve to a depth of 15 feet, and to deepen the channel in the existing project below the Pacific Coast Highway Bridge to 15 feet. The estimated cost of this project is \$2.5 million.

Upon completion of this project, roughly 2 million cubic yards of sediment will have been removed from the bay. It will have been restored to the condition existing prior to 1930 when significant tidal changes began to occur. Removal of this sediment is essential to improve tidal flushing action, prevent the sediments from being washed into the Lower Newport Bay, and to improve both commercial and recreational boating access.

In conclusion, I want to again express my complete support for this significant legislation. It deserves the support of all Members. I might add that in addition to authorizing a number of new projects, H.R. 3670 deauthorizes over 300 corps projects or portions of projects with a total estimated costs of \$11.1 billion. Again, I hope all my colleagues will vote "aye" on final passage of this measure.

Mr. HOWARD. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. I thank the distinguished chairman of the Committee on Public Works for the time, and I want to commend the chairman of the committee and the chairman of the subcommittee as well as the ranking members and the full committee for all the great, and diligent, and hard work they have done on this bill.

Your committee has been of greatest and utmost importance to the Northwest. Water projects that have helped build our economy have been authorized by this committee over the decades. I want to say that the dams in the Columbia, the jetties, and port dredgings have been essential to the livelihood of thousands of Oregonians.

I know that the projects in this new bill have been carefully evaluated, but there is one project that lies mainly in my district and it is not in this bill. That is the Elk Creek Dam that was authorized in 1962, 23 years ago. It was part of a three-dam project. Two of the dams, Lost Creek and Applegate Dams, have been built. But now the Corps of Engineers says that the third dam, the Elk Creek Dam, is no longer essential to enhance the values of the other two dams, and the Corps of Engineers does not support the construction of Elk Creek Dam. The Corps of Engineers says Elk Creek Dam is a waste of money.

So to save, and if we are serious about cutting the deficit, to save \$32 million that has actually been appropriated but not spent because this dam has not been started, we can vote tomorrow to deauthorize the Elk Creek

Dam. I remind the House that Elk Creek Dam is not in this bill. I do not strike anything from this bill. I add a deauthorization to the 300 deauthorizations already in the bill.

Mr. Chairman, I compliment the committee for their good housekeeping work. I want to conclude by saying the Elk Creek Dam was 40 years in my congressional district. After reappropriation, the dam is on the boundary of the district, and it in effect lies in both districts but its effects, the Rogue River for almost 200 miles, lies entirely in my district; its irrigation and flood control, what there is left of it, are almost entirely in my district.

□ 1425

So the Elk Creek Dam is, in effect, a project in my district. It affects my district. The Corps of Engineers does not support its construction, calls it a waste of money. I will offer an amendment to deauthorize it.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to my friend, the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, the gentleman referred to the dam being partially in his district.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. WEAVER] has expired.

Mr. HOWARD. Mr. Chairman, I yield 1 additional minute to the gentleman from Oregon [Mr. WEAVER].

Mr. YOUNG of Alaska. If the gentleman will yield further, could the gentleman identify what other Member's district it affects?

Mr. WEAVER. Sure. We have a map right here. As I said, for 40 years, the dam was entirely in my district. Then they took part of two southern counties out. Now, here is the district boundary. And the dam sits right here on the boundary.

Mr. YOUNG of Alaska. Whose district is that?

Mr. WEAVER. That is the Second Congressional District of Oregon.

Mr. YOUNG of Alaska. And who represents the district?

Mr. WEAVER. BOB SMITH.

Mr. YOUNG of Alaska. And he is from Oregon?

Mr. WEAVER. He is from Oregon.

Mr. YOUNG of Alaska. And he does represent that district. Does he support the gentleman's amendment, or does he oppose the amendment?

Mr. WEAVER. I know of no one else in the House who supports the dam, but it is my understanding that he does.

Mr. YOUNG of Alaska. But he does support the dam, does he not?

Mr. WEAVER. That is my understanding.

Mr. YOUNG of Alaska. I thank the gentleman for answering my question.

Mr. WEAVER. The Rogue River that is affected by the dam, the dam sits on the border of our districts, the Rogue River, 200 miles, runs throughout my district. The irrigation project is entirely in my district. And the flood control is entirely in my district.

Mr. JONES of North Carolina. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland [Ms. MIKULSKI].

Ms. MIKULSKI. Mr. Chairman, today is a great day for the port of Baltimore, the State of Maryland, and for every other region of the country that depends upon waterborne commerce and navigation for economic growth and vitality.

It is a great day for this Nation because this House will pass port development legislation contained in H.R. 6 that sets the framework to help America's ports meet the demands of international trade and commerce in the 1990's and to move into the 21st century.

No port in this Nation has waited longer for water resources cost-sharing legislation to be passed than the port of Baltimore.

We were authorized to dredge our channel to 50 feet in 1970. After meeting very stringent standards resulting from the first application of the National Environmental Policy Act to port development, Baltimore has been held hostage for 15 years to the battle over cost-sharing of new port development.

When Baltimore's 50-foot project was first authorized, the State of Maryland fulfilled the requirements imposed upon it by the Federal Government. In return, the Federal Government promised to pay 100 percent of the cost of deepening port channels to 50 feet.

Times have changed. And we all recognize that the Federal Government no longer has the financial resources to pay for every cost associated with vital navigation projects.

The cost-sharing framework set forth in H.R. 6, however, still maintains a strong and clear Federal stewardship over navigation and port development, while reducing the Federal financial burden. It is a formula that strengthens the partnership between the Federal Government, the private sector and local government in maintaining our Nation's waterways.

H.R. 6 contains a section that I offered, and which was adopted by the Merchant Marine and Fisheries Committee, recognizing the uniqueness of the Baltimore project. The change in cost-sharing from Baltimore's original authorization means that the State of Maryland will have to bear a substantially higher share than originally proposed.

While we in Maryland are willing to pay for our fair share, we also believe that we should be properly credited

for being the only State government required to build and operate, at full local expense, a dredge spoil disposal site; a site built to comply with the original 1970 Baltimore authorization.

As a result, the committee adopted my amendment which guarantees that the non-Federal share of a port navigation project over 45 feet authorized prior to 1985 shall be fully credited for the acquisition, construction and operation of lands, easements, rights-of-way and dredge spoil disposal sites constructed to comply with the terms of the original authorization and related purposes.

The chairman of our committee, Representative WALTER JONES, pointed out earlier during general debate on H.R. 6 that this amendment guarantees that the State of Maryland will receive a \$53 million credit toward its initial share of the Baltimore harbor and channels 50 foot project. The \$53 million credit total is the amount it cost the State to acquire lands, easements, and rights-of-ways to construct the Hart-Miller Island dredge disposal site.

This amendment not only recognizes the uniqueness of the Baltimore project, but will help restore the sense of regional economic equity to ports along the Delmarva Peninsula. The three major ports closest to Baltimore, which are Wilmington, DE, Philadelphia, PA, and Hampton Roads, VA, have each obtained dredge disposal sites or disposal of dredged material at complete Federal expense. Baltimore, on the other hand, has borne all such costs for these activities.

There have been many Members who have worked to enact port development legislation to help revitalize our Nation's waterfronts. In particular, I want to commend public works Chairman JIM HOWARD and Water Resources Subcommittee Chairman BOB ROE for fashioning this bill and for their diligence in working to see it become law.

In addition, I am grateful for the work of my own chairman, Representative WALTER JONES, and the chairman of the Subcommittee on Merchant Marine, Representative MARIO BIAGGI, for their crucial work in developing the port title of H.R. 6.

The balance between cargo and quiche on America's urban waterfronts can only be preserved if we have channels deep enough to accommodate larger vessels that carry bulk goods like grain and coal. With the export of these goods we will provide jobs for American workers and help reduce our trade deficit.

So I urge my colleagues to support this bill and to help continue the renaissance at American ports like Baltimore.

Mr. JONES of North Carolina. Mr. Chairman, I have no further requests

for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in order to fund port development, title 15 of H.R. 6 would impose a new 0.04 percent (4 cents per \$100) excise tax on the value of commercial cargo loaded onto or unloaded from a vessel at a port in the United States. The tax is effective on January 1, 1986, and is estimated to raise approximately \$200 million per year for port development.

The port use tax does not apply to cargo when loaded or unloaded at ports in Hawaii or in any possession of the United States. The tax does not apply to cargo when loaded at any port in the United States for transportation to Hawaii or a U.S. possession for ultimate use or consumption in Hawaii or the possession. If the cargo loaded in Hawaii or a U.S. possession is unloaded at a port in the United States, then the port use tax applies when the cargo is so unloaded.

The tax does not apply to fish or other aquatic animal life caught during a voyage. Also, the tax does not apply to the U.S. Government or any Federal agency or instrumentality.

The port use tax does not apply to cargo where the transportation of that cargo has been or will be subject to the excise tax on diesel or other fuels used on the inland waterways under Internal Revenue Code section 4042. A credit is allowed against the port use tax for St. Lawrence Seaway tolls with respect to the cargo being loaded or unloaded, with any unused credit allowed as a carryover to apply against future port use tax liability of the taxpayer.

This new port use tax is simply a modified version of the excise tax which was included in this bill by every other committee to which the bill was referred. The tax has been endorsed by the administration as an appropriate user charge.

Revenues from the new port use tax will be deposited into a new Port Infrastructure Development and Improvement Trust Fund in the Treasury. In addition, title 15 authorizes appropriations to the trust fund of sufficient general revenues for each fiscal year such that the total port use tax revenues and general revenues for the fiscal year together equal \$1 billion.

Under title 15, permitted expenditures out of the trust fund generally are the same as under the bill as reported by the Committee on Public Works and Transportation, with an added provision to authorize payment out of the trust fund for Treasury expenses in administering the port use tax. The port use tax is to be administered by the U.S. Customs Service.

In addition to port development, title 15 adds the Tennessee-Tombigbee Waterway to the list of inland and intracoastal waterways, the commercial use of which is subject to the inland waterways fuel tax under Internal Revenue Code section 4042, effective on January 1, 1986.

Under the bill, like the new Port Infrastructure, Development and Improvement Trust Fund, the Inland Waterways Trust Fund statutory language would be placed in the Trust Fund Code in the Internal Revenue Code. Not more than one-third of the cost of any waterway construction project under the bill and not more than one-sixth of certain relocation costs under the bill may be paid out of the Inland Waterways Trust Fund. These expenditure limitations are the same as those proposed by the Committee on Public Works and Transportation.

Mr. Chairman, I believe that the revenue from the port use tax is an important and necessary source of funding for port development. The funding of our Nation's ports has long been delayed because of controversy regarding the proper source of revenues. I believe that the port use tax, in combination with general revenues and local funding, has broken the deadlock and will allow the Nation's ports to receive the necessary funds to modernize and expand so that they can compete internationally.

Mr. Chairman, I urge adoption of H.R. 6.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from Minnesota.

Mr. STANGELAND. I thank the gentleman for yielding.

Mr. Chairman, first of all, I would like to compliment the chairman of the Committee on Ways and Means and the ranking minority member of the Committee on Ways and Means for the excellent work that they have done on this very important piece of legislation. But I would like to engage in just a bit of colloquy with the chairman of the Committee on Ways and Means, if he would be so indulgent.

Mr. Chairman, in the versions of H.R. 6 reported by the Committees on Public Works and Transportation and Merchant Marine and Fisheries, both committees also authorized the collection of a 0.04 percent ad valorem charge on import, export, and domestic cargo loaded or unloaded on vessels at U.S. ports. Although the details of each committee's approach differed, on one thing they were both very clear: The responsibility for remitting the ad valorem charge and the ultimate liability for payment rests with the cargo interest, not the vessel owner or operator.

The Public Works Committee report states (p. 517):

The intent of the Committee is that the tax be paid by the importer, exporter, or shipper of the cargo, and not by the owner or operator of the ship or vessel * * *. [T]he Committee imposed the duty to collect the tax on importers, exporters, and shippers.

Similarly, the report of the Committee on Merchant Marine and Fisheries states (p. 27):

Regardless of the potential difficulty in administration, the Committee reiterates that the cargo, being the beneficiary of the facilities provided by the port, is for purposes of this Act the user responsible for paying the fees required for ongoing operation and maintenance. The Committee intends that no burden, financial or administrative, fall on vessel owners or operators.

The Ways and Means Committee report, in describing the provisions which are now part of title XV of the bill before us, states (p. 11):

The port use tax is to be paid by the importer * * * by the exporter * * * and by the shipper * * *.

In order that the record might be clear and unambiguous, I would like to ask a question of the gentleman from Illinois, the chairman of the Committee on Ways and Means: Is it the intent of the Ways and Means Committee that cargo interests, alone, bear the responsibility for payment of the port use tax of title XV?

Mr. ROSTENKOWSKI. That is correct. No financial or administrative burden or responsibility is imposed upon vessel owners or operators by virtue of title XV of this legislation.

Mr. STANGELAND. I thank the gentleman, and once again I commend him and the ranking Republican member of the full committee.

Mr. ROSTENKOWSKI. Mr. Chairman, I reserve the balance of my time.

Mr. DUNCAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to join my colleague, Chairman ROSTENKOWSKI, in urging the House to adopt H.R. 6, a bill which provides for a number of important water projects throughout the United States. To assist in financing these water projects, the bill would impose a new 0.04 percent, 4 cents per \$100, ad valorem tax on commercial cargo loaded or unloaded from a vessel at a port in the United States, with certain enumerated exceptions. The chairman has accurately described the various components of the bill for the House and I will not restate them here. The Committee on Ways and Means ordered the bill reported by voice vote, and I know of no objection to the bill. I would urge my colleagues to vote for the bill today.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Does any member from the Committee on Interior and

Insular Affairs wish to claim that committee's time?

Mr. YOUNG of Alaska. Mr. Chairman, we have no requests for time on this side, but I gladly yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. I thank my colleague from Alaska for yielding time to me.

Mr. Chairman, I appreciate the opportunity to rise in support of H.R. 3670, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985. I commend the House leadership for their recognition of the need to focus attention on the many critical water issues facing our Nation today.

Reauthorization of a comprehensive omnibus water bill is long overdue. It has not been since 1970—15 years ago—that we enacted a truly comprehensive water resources law to authorize projects and programs. We cannot afford to wait any longer. Our Nation's water resources infrastructure needs and deserves immediate attention.

Mr. Chairman, I want to commend the Public Works and Transportation Committee Chairman JAMES HOWARD; Water Resources Subcommittee Chairman ROBERT ROE; House Interior Committee Chairman MORRIS UDALL; and Water and Power Subcommittee Chairman GEORGE MILLER for their outstanding leadership and innovative attempts to address these increasing water resources problems in a comprehensive manner.

Water issues are of the utmost importance to the people I represent in the Third Congressional District of New Mexico. Few concerns in the West are greater than our need to protect and conserve water resources. Western States have been able to build a healthy economy and environment for a growing and productive population because the State and Federal Government, in partnership, have constructed water projects that have become a veritable lifeline for our States.

The Federal investment in Western water projects has been returned in many ways. They have ultimately paid their own way. In addition, the economic health of the West and the agricultural improvements that have resulted from these projects have benefited our entire Nation. Water projects have been success stories in satisfying national objectives.

H.R. 3670 addresses a real need in northern New Mexico. The bill recognizes the need to restore and preserve the Acequia irrigation ditch systems in their State and recognizes their cultural and historical values. Further, the legislation provides for needed improvements to Abiqui dam to increase

the safety of the structure and enhance flood and sediment control.

Mr. Chairman, water is a scarce and precious commodity in my district. Any discussion of increased economic development must include an emphasis on the water supply needs of our expanding communities. Fifteen years is too long to wait. I urge my colleagues to support H.R. 3670, and take a strong stand in addressing the critical water needs of our Nation.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume, to say that this bill is important for the future of this Nation concerning water and water policy. Many of us in the Congress and many in the United States do not recognize what could be our next major crisis in the United States, and that is the lack of water for the production of agriculture, the lack of water for our industrial strength and the lack of water for consumption in our own right as far as clean and safe water. The sharing of the burden is crucial. I believe this bill takes care of many of the major problems that have been faced in the past. Hopefully, for the first time we will have a water policy that the American people can benefit from.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The balance of the time for the Committee on Interior and Insular Affairs is yielded back.

Mr. HOWARD. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. NOWAK], a member of our committee.

Mr. NOWAK. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985.

I first would like to commend the gentlemen from New Jersey [Mr. HOWARD], the chairman of the Committee on Public Works and Transportation, and Mr. ROE, the chairman of the Subcommittee on Water Resources, for their diligent leadership in forging this important legislation. Thanks are also due the gentleman from Kentucky [Mr. SNYDER] and the gentleman from Minnesota [Mr. STANGELAND] for their dedication and cooperation in this process.

We have not enacted a comparable omnibus water resources bill since 1970. Clearly, H.R. 6 is long overdue.

The passage of time has created a tremendous backlog in vitally essential water resources projects. This legislation is critical to readdressing this nationwide inventory of unmet needs in a meaningful way.

During these last 15 years, infrastructure has become a household word, as more and more attention has been focused on the deteriorating con-

dition of our roads, bridges, dams, ports, and water supply network.

The dimension and scope of these infrastructure needs require a strong and sustained Federal role, in partnership with State and local governments and the private sector. H.R. 6, with its new cost-sharing provisions, will enable us to advance scores of vitally needed port development, flood control, shoreline protection, and inland waterway projects.

Our water resources and our infrastructure are vital to our national economic well-being and our quality of life. H.R. 6 commits us to major investments that will reap dividends for future generations in this country. It is a wise investment we cannot afford to bypass.

Mr. HOWARD. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. GRAY], a member of our committee.

Mr. GRAY of Illinois. I thank the gentleman for yielding.

Mr. Chairman, I rise to support H.R. 6 and to tell you what a personal joy it is to serve on such a fine working committee as the Committee on Public Works and Transportation.

I want to commend the distinguished chairman, the gentleman from New Jersey [Mr. HOWARD], the distinguished ranking minority member, the gentleman from Kentucky [Mr. SNYDER], the very distinguished subcommittee chairman, the gentleman from New Jersey [Mr. ROE], and the ranking member on the Republican side for all the hard work that has gone into this bill. It is a fine bill—it is an American bill.

Mr. STANGELAND. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Arkansas [Mr. HAMMERSCHMIDT], who was the previous ranking Republican on the Subcommittee on Water Resources and certainly got this whole process started before I became the ranking minority member.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985.

I commend our very distinguished chairman, the gentleman from New Jersey [Mr. HOWARD], as well as the ranking minority member of the full committee, the gentleman from Kentucky [Mr. SNYDER], and I certainly commend the gentleman from New Jersey [Mr. ROE] for the many, many months and, actually, years, of hard work he has put into this, as well as our distinguished friend, the gentleman from Minnesota [Mr. STANGELAND], and as well as the leadership of all of the committees that have labored to develop this important and balanced bill.

As my colleagues know all too well, we have not had an omnibus water resources

projects bill for the Corps of Engineers in almost a decade. As the former ranking Republican member of the Subcommittee on Water Resources of the Committee on Public Works and Transportation, I know that this is not because the issue is not important or because the Members of this body have not worked hard to develop the necessary legislation. We all recognize the importance of water resources development to the vitality of our economy and the extraordinary effort that has been put into passage of this legislation. We have heard today of the importance of the provisions in this bill to the country and to individual Members who have spoken in support of the bill earlier.

I would just like to take a moment to mention some of the key provisions in this bill that are important to the citizens of Arkansas. First of all, let me mention projects in this bill that will greatly reduce the devastating effect of floodwaters in Arkansas. To this end, the bill would authorize projects for flood control in the cities of Helena and West Memphis, AR, and along Fifteen Mile Bayou, Fourche Bayou and Eight Mile Creek. In the area of navigation, the bill would authorize improvements for the harbor of Helena and also along the White River.

There are also a number of small but important projects to assist local governments in making necessary repairs to infrastructure improvements and authorization for water supply loans to the cities of Fort Smith and Van Buren. I would be remiss if I didn't take a moment to at least mention the provisions in title 9 of the bill that honor some of our most distinguished citizens by renaming Corps of Engineers projects or project features after those that have contributed so much to communities in which those projects are located.

Finally, I note that the bill contains an authorization for a demonstration project to determine the causes and possible remedies of pollution at Beaver Lake in my district. The project would be undertaken in cooperation with the Environmental Protection Agency, working with State and local agencies in an effort to find ways of preserving and enhancing the quality of the reservoir's waters.

Again, Mr. Chairman, let me congratulate those on the committee and extend my sincere appreciation for their efforts and assistance. Through their efforts, I am confident that we will finally see final passage of a comprehensive water resources development bill—a bill that I urge all of my colleagues in joining me in supporting.

Mr. HOWARD. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. ROE], the distinguished chairman of our Water Resources Subcommittee, who is the chief architect of this legislation.

Mr. ROE. Mr. Chairman, I want to thank the distinguished chairman of our committee, the gentleman from New Jersey [Mr. HOWARD] for yielding twice to me.

Mr. Chairman, I am pleased to bring to the floor H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act. This bill is the product of over 4 years of intensive work by the Subcommittee on Water Resources, including hearings and countless hours of gathering information and consulting interested Members and their staffs. I am deeply appreciative of the many hours the members of the subcommittee, and of the full committee, have devoted to this legislation. I also wish to express my gratitude for the fine cooperation of the ranking minority member of the subcommittee, the gentleman from Minnesota [Mr. STANGELAND] and the ranking minority member of the full committee, the gentleman from Kentucky [Mr. SNYDER]. I especially want to thank the chairman of the committee, the gentleman from New Jersey [Mr. HOWARD] for the outstanding leadership he again has exercised in bringing this legislation to the floor.

Mr. Chairman, we began work on this legislation with two basic premises in mind. The first is that water is our most important and most valuable national asset, and resolving the problems relating to the use, overuse, and abuse of water, as well as protection from catastrophic flooding, are items of the highest priority. The second premise is that we must begin to deal with these water resources problems according to a national policy that is both rational and bipartisan in nature. We have worked diligently to achieve that goal in this legislation.

H.R. 6, as is traditional with water resources development bills, contains project authorizations, authorizations of water resources studies, project modifications, and general provisions effecting the overall water resources program of the Corps of Engineers. This bill also continues the practice of refining the manner in which the corps' existing water resources program is carried out to meet our constantly changing water resources needs. As a result, the bill contains a number of features addressing water supply needs, environmental concerns, energy needs, and project study procedures, in addition to the traditional provisions addressing flood control, navigation, erosion control, recreation, and the like.

This bill also contains a number of new provisions which recognize new water resources needs that have arisen as a result of the aging process on our water resources infrastructure.

Mr. Chairman, with these prefatory remarks, I would like to proceed through the bill briefly title by title to describe for you its contents. A more detailed statement is being submitted for the record.

Title I authorizes 6 deep draft navigation projects—projects with an authorized depth of 45 feet or more—and 29 projects for the improvement of general cargo ports—ports with an authorized depth of between 14 and 45 feet.

These port projects will be subject to a new cost-sharing arrangement. Non-Federal interests will be required to pay a portion of the construction costs of ports, with the local share determined in relation to the depth of the port. There is no cost sharing for a port with a depth of 14 feet or less. For the increment between 14 feet and 20 feet, the non-Federal share is 10 percent. For the increment of depth between 20 feet and 35 feet, the share is 25 percent. And, for the increment deeper than 45 feet, the local share is 50 percent. Non-Federal interests must also provide necessary lands, easements, and rights-of-way, including disposal areas, but only to the extent that the cost of these items does not exceed 5 percent of the cost of the project. In addition, a tax of 0.04 percent is imposed on the value of cargo loaded or unloaded at a U.S. port.

A non-Federal interest may levy port or harbor dues, in the form of tonnage duties, but may only do so with regard to a vessel if that vessel actually benefits from the port project. No dues may be imposed if the vessel, when fully loaded, could have utilized the port or harbor before construction of the project.

Section 104 provides a mechanism to permit non-Federal interests to plan, design, and construct port projects and later to be reimbursed subject to appropriations for those costs that ordinarily would be a Federal responsibility, so that a project may be expedited by non-Federal interests.

Title II authorizes the construction of seven critically needed lock and dam projects on the inland waterway system. These projects consist of replacements of obsolete structures and improvements to structures needed to prevent unacceptable constraints on navigation. This title also provides that one-third of the cost of the general navigation features of these projects shall be paid only from amounts appropriated from the inland waterways trust fund—the fund derived from fuel taxes on vessels used in commercial waterway transportation.

Title III authorizes the construction of 92 projects for the control of destructive flood waters throughout the Nation. We have developed a new system of cost sharing which we believe to be fair and equitable. Under present law the non-Federal sponsors of local flood protection projects pay for lands, easements, rights-of-way and relocations, which vary from project to project. We have included a new uniform cost-sharing formula

which will ensure that regional needs are addressed with fairness, and which will result in the equitable distribution of national water resources investments needed throughout the Nation. The non-Federal share for local flood protection projects is established at 25 percent. Non-Federal interests will continue to provide lands, easements, rights-of-way and relocations. In addition, they must contribute 5 percent of the cost of the project during construction. If the cash contribution and the lands, easements, rights-of-way and relocations are less than 25 percent of the project cost, the amount necessary to meet the 25-percent share must be paid to the United States over a period not to exceed 15 years. If these items are more than 25 percent, then that is the non-Federal share, except that such share is capped at 30 percent.

Title IV authorizes a number of projects for the protection of shorelines on the Atlantic and gulf coasts and the Great Lakes.

Title V authorizes 78 projects for water resources conservation and development purposes—including mitigation of damages to fish and wildlife, water supply, hydroelectric power, streambank erosion control, navigation, and other purposes, including many detailed provisions designed to protect specific environmental values.

Title VI authorizes the corps to conduct a number of studies. These include studies of specific water resources problems in particular localities, as well as studies of a more general nature. A few of the most important provisions for studies of a general nature are as follows.

Section 605 directs the corps and the Fish and Wildlife Service to study the feasibility of utilizing the corps' capabilities to conserve indigenous wildlife and wildlife habitats, including creating alternative habitats, and beneficially modifying existing habitats.

Section 606 authorizes the corps to make a nationwide study of the Nation's flood problems and the effectiveness of existing projects in reducing losses from floods.

Section 610 directs the corps to prepare an estimate of the long-range capital investment needs for water resources programs within its jurisdiction—including investment needs for ports, inland waterway transportation, flood control, municipal and industrial water supply, hydroelectric power, recreation, and the fish and wildlife conservation and enhancement associated with those programs.

Section 614 directs the corps to prepare a list of authorized water resources studies for which no report has been transmitted to the Congress, and to make recommendations with respect to each such study as to

whether or not it should continue to be authorized.

Title VII contains a number of project modifications for a number of authorized water resources projects. These modifications were all analyzed by the committee on a case-by-case basis and were determined to be necessary for the functioning of the projects to which they relate.

Title VIII, relates to water supply. Subtitle A establishes a loan program to be administered by the corps for the purpose of repairing, rehabilitating, expanding, and improving public water supply systems and publicly regulated water supply systems. These loans are limited to 80 percent of the cost of the water supply project for which each loan is made, with an annual limit of \$40 million for each project and an annual limit of \$80 million for any State. Before receiving a loan, an operator must implement a water conservation program in order to encourage the responsible use of water.

Subtitle B of title VIII declares a national interest in economically conserving existing water supplies and in economically developing new supplies through Federal participation in the repair, rehabilitation, and improvement of water supply systems and through Federal construction of single-purpose, as well as multiple-purpose, water supply projects. The non-Federal share of such projects is to be 100 percent, with the non-Federal interests initially providing 20 percent, and repaying the remaining 80 percent of the project costs over a period of up to 50 years in accordance with the provisions of the Water Supply Act of 1958.

Title IX changes the names of a number of water resources projects and project features which have been constructed by the Corps of Engineers. One naming is geographical and the others are in honor of prominent individuals who have contributed their efforts to the development of water resources.

Title X, deauthorizes some 300 authorized corps projects or portions of projects. The Congressional Budget Office has estimated that, if these projects were funded, Federal outlays would be approximately \$18 billion.

Title XI consists of a number of general provisions relating to the corps' water resources program. The following are a few of the most important provisions contained in that title.

Section 1101 defines the objectives for which Corps of Engineers water resources projects are to be planned, including the objectives of enhancing regional economic development, the quality of the total environment, the well-being and quality of life of the people of the United States, preservation of cultural and historic values, the prevention of loss of life, and na-

tional economic development. It also provides that the benefits and costs attributable to these objectives—both quantifiable and unquantifiable—shall be included in the evaluations of benefits and costs for Corps of Engineers projects.

Section 1102 requires that non-Federal interests contribute 50 percent of the costs of any feasibility report for any water resources study prepared by the corps or the Department of the Interior. An exception is made in the case of inland waterway projects, for which the benefits are generally acknowledged to be too widespread to be specifically identified with individual local governmental entities.

Section 1103 provides that in the evaluation of corps projects the benefits attributable to environmental measures shall be deemed to be at least equal to the costs of those measures.

Section 1104 establishes a new \$35 million environmental protection and mitigation fund. Amounts in this fund are to be available for undertaking, in advance of the construction of any corps project, any measures authorized as part of the project which may be necessary to ensure that project-induced losses to fish and wildlife production and habitat will be mitigated.

Section 1122 relates to the master plan for the management of the upper Mississippi River system, which was prepared by the Upper Mississippi River Basin Commission pursuant to Public Law 95-502. This section contains congressional approval of the master plan as a guide for future water policy on the upper Mississippi River system. It authorizes the corps and the Interior Department, in consultation with the States, to undertake a program, as identified in the master plan, for the planning, construction, and evaluation of measures for fish and wildlife habitat rehabilitation and enhancement, implementation of a long-term resources monitoring program, and implementation of a computerized inventory and analysis system.

Section 1135 authorizes the corps to review the operation of previously constructed projects in order to determine the need of modifications in the structures and operations of those projects for the purpose of improving the quality of the environment in the public interest.

Title XII establishes a National Board on Water Resources Policy. The Board will be composed of the Secretaries of the major Federal water resources agencies, together with two other members and a chairman appointed by the President with the advice and consent of the Senate. Among other things, the Board will be responsible for establishing principles and standards for the formulation and evaluation of Federal water and relat-

ed land resources projects and coordinating Federal water resources policy. The establishment of this Board is critical to the establishment and implementation of a balanced water resources policy.

Title XIII relates to bridges over navigable waters. It provides Federal assistance for the relocation of two bridges that have become obstructions to navigation as a result of local land subsidence problems.

Title XIV requires that any report dealing with fish and wildlife mitigation, benthic environmental repercussions, or ecosystem mitigation, that is required to be sent to the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall also be sent to the House Committee on Merchant Marine and Fisheries.

Title XV, as reported by the Committee on Ways and Means, imposes a port use tax on the loading or unloading of commercial cargo at a U.S. port of 0.04 percent of the value of the cargo.

It also establishes a port infrastructure development and improvement trust fund. There is authorized to be appropriated to the trust fund each year an amount equal to the excess of \$1 billion over the amounts deposited in the fund from the 0.04-percent port use tax. Amounts in the trust fund are available, as provided in appropriations acts, for studies, construction, and operation of ports.

Mr. Chairman, the rule provides that the amendments published by our committee in the November 4, 1985, CONGRESSIONAL RECORD may be offered en bloc. For the benefit of the Members I wish to explain briefly what these amendments will accomplish.

TITLE XI

MIAMI RIVER MANAGEMENT COMMISSION

This amendment authorizes the Secretary to make a grant to the Governor of Florida to establish the Miami River Management Commission to develop a comprehensive plan for the Miami River.

TITLE I

NORFOLK HARBOR

This amendment provides that the cost of utility relocations associated with the project at Norfolk, VA, be at full Federal expense.

MOBILE HARBOR

This amendment corrects an omission of the National Marine Fisheries Service in the text as it relates to mitigation measures at Mobile Harbor.

LOS ANGELES AND LONG BEACH HARBORS

This amendment increases the authorized depth of the harbor of Los Angeles from 65 to 70 feet.

KILL VAN KULL AND ARTHUR KILL

This amendment combines the projects for Arthur Kill and Kill Van

Kull, New York and New Jersey, and adds a provision extending the project to the Fresh Kills in Carteret, NJ.

LAKE CHARLES

This amendment updates the estimated Federal cost of the project at Lake Charles, LA.

NORFOLK HARBOR

This amendment prohibits the Secretary from imposing fees or other charges for the disposal of dredge material into the Craney Island, VA, facility.

NORFOLK HARBOR

This amendment provides that the modification of four anchorages previously authorized but not constructed, and the three anchorages authorized by this act at Norfolk, VA, are to be at full Federal expense.

TITLE III

QUINCY COASTAL STREAMS

This amendment provides that the non-Federal interests for the project are to be credited with work done by the non-Federal interest, after January 1, 1978, if the work is determined to be compatible with the project.

RIO PUERTO NUEVO

This amendment authorizes the project for flood control at Rio Puerto Nuevo, PR. The bill as introduced authorized a study for this project; the study has been completed, the results of the study are now authorized and the study is deleted.

SANTA ANA RIVER MAINSTEM

This amendment modifies the current provision in the bill to reflect the modifications for the Santa Ana River mainstem contained in the report of the district engineer, dated September 1985.

AMITE, COMITE, TANGIPAHOA, TCHEFUNCTE, TICKFAW, BOGUE CHITTO, AND NATALBANY RIVERS, LA

This amendment adds an authorization to the Secretary to undertake reasonable wildlife mitigation measures in connection with the project authorized in the bill.

INTERNATIONAL LEVEE, NOYES, MN

This amendment authorizes the Secretary to accept funds from a project cosponsor in connection with the project authorized in the bill.

FAIRFIELD VICINITY STREAMS

This amendment provides that the non-Federal interests for the project for flood control previously authorized by the Flood Control Act of 1965 are to be credited for the cost of work performed by the non-Federal interest subsequent to December 31, 1973, and determined to be compatible with the project.

TITLE IV

ORCHARD BEACH, NEW YORK

This amendment authorizes the project for beach erosion control, Orchard Beach, NY.

PINELLAS COUNTY, FL

This amendment authorizes the project for beach erosion control, Pinellas County, FL.

TITLE V

MERRIMACK RIVER, MA

This amendment authorizes the Secretary to conduct reconnaissance and feasibility studies on extending the project on the Merrimack River from Lawrence to Haverhill, MA, and from Haverhill to the mouth of the Merrimack River.

JACKSONVILLE HARBOR, FL

This amendment clarifies that the costs of this project are to a Federal responsibility, as recommended by the report of the Chief of Engineers.

LAVA FLOW CONTROL, HI

This amendment deletes the project for lava flow control, Hawaii, currently contained in the bill.

BEATTIES DAM, NJ

This amendment modifies the provision in the bill concerning flood control measures along the Passaic, Pompton, and Pequannock Rivers, NJ, to provide for repairs to Beatties Dam and removal of the existing rock shelf.

SONOMA COUNTY, CA

This amendment modifies the provision in the bill to allow the Secretary increased discretion in selecting the appropriate implementation of the water resources project.

TITLE VI

INSULAR POSSESSIONS

This amendment corrects the omission of the Virgin Islands from the study of the water and related land resources in the insular possessions to be conducted by the Secretary. It also provides that any funds appropriated for the study which are not spent by the Secretary for the study, are to be available for construction of authorized projects and implementation of the findings of the study, in the possessions.

GREAT LAKES

This amendment modifies the provision authorizing the Secretary to determine the extent of shoreline erosion on Lake Superior to the time subsequent to January 26, 1973.

WATER SUPPLY STORAGE

This amendment modifies the existing study provision concerning the pricing policy of the Corps of Engineers relative to water supply to provide that the Secretary is not to modify his water supply pricing policy until the results of the study are available and Congress enacts additional legislation.

TITLE V

PORT ONTARIO, NY

This amendment authorizes the Secretary to maintain a harbor of refuge in Port Ontario, Sandy Creek, NY.

TITLE VII

KING HARBOR, CA

This amendment clarifies the existing language in the bill that the Secretary is to construct the breakwaters at the project to a height of 22 feet.

COLORADO RIVER, TX

This amendment is a technical change to correct an erroneous cost figure contained in the bill.

SAN LORENZO RIVER, CA

This amendment modifies the provision in the bill to authorize the Secretary to take actions which he deems necessary at the project, in addition to the dredging provided for in the bill. The Secretary is also authorized to conduct further study and design on the project.

RACINE HARBOR, WI

This amendment modifies the provision for Racine Harbor to change the requirement that the Secretary construct and maintain the harbor area, to a requirement that the Secretary only dredge the area.

TITLE VI

JAMES RIVER, SD

This amendment adds a study of the feasibility of providing flood protection along the James River, SD.

TITLE VII

NEWPORT BAY HARBOR, CA

This amendment modifies the provision in the bill for Upper Newport Bay Harbor, Orange County, CA, to better define the scope of the project.

DUNKIRK HARBOR, NY

This amendment authorizes the Secretary to reimburse the non-Federal interests for expenses they have incurred at the project which would have been the responsibility of the Secretary under the section.

FISHTRAP LAKE, KY

This amendment modifies the project for Fishtrap Lake, Pike County, KY, to authorize the Secretary to acquire by purchase any property in the drainage area of the project.

SABINE RIVER, TX

This amendment modifies the project for the Sabine-Neches Waterway, TX, to authorize an extension of the project approximately 1 1/4 miles.

CLARKS HILL RESERVOIR, GA AND SC

This amendment modifies the project for flood control, Clarks Hill Reservoir, to add recreation and fish and wildlife management as project purposes.

RED ROCK DAM AND LAKE, IA

This amendment authorizes the Secretary to acquire fee simple title and flowage easements to real property subject to periodic flooding at the project.

CAPE CHARLES CITY HARBOR, VA

This amendment modifies the project for Cape Charles City Harbor,

to provide that the existing bulkheads and berthing space shall constitute the local cooperation required by the project's authorizing legislation.

EAST CHESTER CREEK, NY

This amendment modifies the project to require the Secretary to dredge and maintain the Y-shaped portion of the project within 2 years. It also deletes the project from the deauthorization section of the bill.

TITLE IX

VANCE HARTKE RESERVOIR

This amendment renames the Patoka Reservoir, Wabash River, IN, as the Vance Hartke Reservoir.

DEWAYNE HAYES RECREATION AREA

This amendment renames the Stinson Creek Recreation Area, which is to be built as part of the Tennessee-Tombigbee Waterway as the DeWayne Hayes Recreation Area.

TITLE X

NAPA RIVER BASIN

This amendment removes the project for flood control, Napa River Basin, from the deauthorization title.

DISTRICT OF COLUMBIA

This amendment removes the project for flood control, District of Columbia, from the deauthorization title.

TAMPA HARBOR, FL

This amendment adds the turning basin at the junction of the Garrison and Seddon channels and the Hillsborough River to the deauthorization title.

KAUNAKAKAI, HI

This amendment removes the project for navigation, Kaunakakai Deep Draft Harbor, Molokai, HI, from the deauthorization title.

PEORIA COUNTY LEVEES, IL

This amendment removes the project for flood control, Peoria, Peoria County Levees, IL, from the deauthorization title.

WAUKEGAN HARBOR, IL

This amendment removes the project for navigation, Waukegan Harbor, IL, from the deauthorization title.

CAROLINA BEACH, NC

This amendment removes the project for flood control, Carolina Beach and vicinity, south area, North Carolina, from the deauthorization title.

PECAN BAYOU LAKE, TX

This amendment removes the project for flood control, Pecan Bayou Lake, TX, from the deauthorization title.

CASSVILLE SMALL BOAT HARBOR, WI

This amendment removes the project for navigation, Cassville Small Boat Harbor, WI, from the deauthorization title.

TITLE XI

COST BENEFIT EVALUATION

This amendment provides that if a non-Federal interest has entered into an agreement pursuant to section 215 of the Flood Control Act of 1968, the interest rate to be used in determining the costs and benefits of the project is to be the rate applicable at the time of execution of the agreement.

SUMMERSVILLE LAKE PROJECT

This amendment would modify the provision in the bill concerning releases from the Summersville Dam, Gauley River, by increasing the releases from the Summersville Dam on the Gauley River from 2,400 cubic feet per second to 2,500 cubic feet per second.

UPPER MISSISSIPPI RIVER

This amendment modifies the provision in the bill addressing the management of the upper Mississippi River. It provides that approval of the master plan by this section is not to be deemed to be authorization of any recommendation in the plan. It also provides for an increased role of the Secretary of the Interior in the implementation of the plan. Furthermore, it provides that amounts authorized to be appropriated, and amounts appropriated are to remain authorized and available until appropriated or expended.

ELK CREEK LAKE

This amendment modifies the provision contained in the bill for Elk Creek Lake, Rogue River, Oregon and California. Authorization to the Secretary to study the feasibility of hydro-power is deleted and the Secretary is directed to include in the study of the project, funds previously appropriated by Congress, as sunk costs.

CORPS OF ENGINEERS CAPABILITIES STUDY

This amendment modifies the provision which would have the Corps of Engineers conduct a study to evaluate measures necessary to improve its capabilities to add a requirement that the corps also consider appropriate measures to increase reliance on the private sector.

FARMERS HOME ADMINISTRATION ASSISTANCE

This amendment modifies the provision in the bill concerning the use of Farmers Home Administration assistance to provide that the funds may be used to pay the non-Federal share of another Federal grant-in-aid program.

CROSS-FLORIDA BARGE CANAL

This amendment modifies the provision in the bill addressing the status of the Cross-Florida Barge Canal. The amendment clarifies that regulated public utilities may be considered for expedited approval of application for easements across the project property, clarifies the amount of money to be paid to reimburse the local governments for expenses incurred in land acquisition for the project, provides a mechanism for determining a date cer-

tain when the unconstructed portions of the project are to be no longer authorized, and clarifies that any lands owned by the Canal Authority and contained within the expanded boundary of the Ocala National Forest may not be transferred to an entity other than the Federal Government, if the unauthorization is to become effective.

MIAMI RIVER, SEYBOLD CHANNEL, FL

This amendment directs the Secretary to remove abandoned vessels and vessels subject to U.S. control by reason of seizure or forfeiture, in portions of the Miami River and Seybold Channel, FL.

OHIO AND WABASH RIVERS, STREAMBANK CONTROL

This amendment authorizes the Secretary to undertake streambank erosion control measures along a portion of the Ohio and Wabash Rivers, IL.

BREWERTON EXTENSION

This amendment permits funds appropriated for the Brewerton extension to be used to conduct dredging of the inland waterway from the Delaware River to the Chesapeake Bay.

SOUTH PLATTE RIVER, CO

This amendment modifies the project for flood control below Chatfield Dam on the South Platte River, CO, to permit the local interests to construct necessary highway improvements.

FOSTER JOSEPH SAYERS LAKE, PA

This amendment provides that the Secretary is authorized to construct necessary repairs on the Marsh Creek Bridge near Foster Joseph Sayers Lake, Centre County, PA, a corps constructed project.

DARK HEAD CREEK, MD

This amendment would declare a portion of the waterway located on Dark Head Creek in the community of Middle River, MD, as nonnavigable water of the United States.

CHEROKEE HYDROELECTRIC PROJECT

This amendment authorizes the Cherokee Nation of Oklahoma to design and construct hydroelectric facilities at the W.D. Mayo Lock and Dam on the Arkansas River in Oklahoma. Construction is to be by the Corps of Engineers, on reimbursable basis, and the power generated by the project is to be marketed by the Southwestern Power Administration.

DEVIL'S KITCHEN LAKE WATER SUPPLY

This amendment authorizes and directs the Secretary of Interior to sell municipal water to the city of Marion, IL, from water which may be available to the Devil's Kitchen Lake Project, Illinois.

CAVEN POINT AREA, NEW JERSEY

This amendment declares an area in the vicinity of Caven Point, Jersey City, Hudson County, NJ, to be a non-navigable water of the United States.

SUNSET BEACH HARBOR, CA

This amendment authorizes the Secretary to enter into agreements with Federal project repayment districts for the repayment of the costs incurred by the Federal Government in developing water resource projects. It further permits a demonstration project of this non-Federal cost sharing at the Seal Beach Naval Weapons Station, Sunset Beach Harbor, Bolsa Chica Bay, CA.

MIAMI RIVER AND SEYBOLD CANAL, FL

This amendment authorizes and directs the Secretary to remove polluted bottom sediments from a portion of the Miami River and Seybold Canal, Miami, FL.

EISENHOWER AND SNELL LOCKS, NY

This amendment authorizes the Secretary to rehabilitate the Eisenhower and Snell Locks, Saint Lawrence River, Massena, NY.

Mr. Chairman, H.R. 6, which is the result of over 4 years of intense study by our committee, represents the first major construction authorization bill since 1970—and the most comprehensive and environmentally sensitive water resources bill ever developed. It is necessary to the dynamics of our Nation's economy; it is timely; and I urge its adoption.

Mr. STANGELAND. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. CLINGER], a member of the committee.

Mr. CLINGER. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 6, the Water Resources Conservation, Development and Infrastructure Improvement and Rehabilitation Act of 1985.

The leadership of the Water Resources Subcommittee, Chairman BOB ROE and ranking member ARLAN STANGELAND, and the full committee chairman JIM HOWARD, and ranking member GENE SNYDER, are to be applauded for producing this innovative and timely bill.

You've already heard previous speakers outline the major provisions of this bill. I think you'll all agree this bill is comprehensive, it's fair to all segments of our society dependent on water infrastructure projects, and it fairly addresses the budget constraints now facing all areas of our Government.

By rising today, I want to focus members' attention on the implications of the new cost-sharing provisions contained in H.R. 6.

Until this year, harbor improvement projects were largely funded by the Federal Government. H.R. 6 changes this practice and requires local ports to assume between 10 percent and 55 percent of the project cost, depending on the depth of the dredging. H.R. 6 also stipulates that ports having depths exceeding 45 feet assume a por-

tion of their annual operation and maintenance costs.

For inland waterway transportation projects, H.R. 6 requires one-third of the construction cost be financed by the inland waterways trust fund, whose revenues are derived from a fuel tax on barge operators.

Flood control projects authorized by H.R. 6 will, for the first time, require local interests to pay at least 5 percent of the construction costs in cash, during the construction phase. This is in addition to the 20 to 25 percent noncash contribution that must also be provided by local interests, such as land, easements, right of ways, and relocations.

The significance of these cost-sharing provisions is important and I hope it is fully understood by all Members. By requiring local interests to ante up a portion of their own revenues and to share in the cost of construction, we are forcing local governments and users to pass judgement on the feasibility of the projects. We are, in essence, applying a local means test as a gauge of the non-Federal parties, interest in financing these projects.

Up to this point, the Federal Government provided the lion's share of all funding. Now we're spreading the costs, forcing potential project benefactors to draw their own conclusions and to judge the project's merits on the basis of their own ability to pay. And to reiterate a point made earlier by Mr. STANGELAND, cost sharing will greatly enhance the entire project selection and development process.

Mr. Chairman, cost sharing is a trend that is seeing wider and wider acceptance in a whole range of Federal programs, most notably in the areas of infrastructure. Cost sharing is now an integral part of sewer and water supply system construction programs and highway construction. Our waterways and ports should be no different.

Not to dwell too heavily on cost sharing alone, H.R. 6 offers many features that should merit the support of all Members. It authorizes long overdue rehabilitation projects for our Nation's water infrastructure system, it promotes rehabilitating our water supply systems through the establishment of a loan program, and it authorizes a number of water resource development and conservation projects that promote the safe keeping and enhancement of our environmental resources.

I urge all members to support this legislation.

□ 1440

Mr. STANGELAND. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. SHAW], a member of the subcommittee.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, today we are considering H.R. 3670, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985. This legislation has been anxiously awaited since 1970.

Legislation authorizing needed water projects around the country has often been labeled pork-barrel politics. Well, I am pleased to call your attention to a provision in this bill that is pure sizzle!

The Cross-Florida Barge Canal was authorized in 1942. Work began in 1968 until President Nixon halted construction in 1971 because of serious environmental problems and dubious economic benefits. One-third of the canal was completed at a cost of \$74 million.

The uncompleted portion of the canal would cut directly into the Floridan Aquifer, which provides drinking water to two-thirds of the populous of Florida. In 1977 the U.S. Army Corps of Engineers recommended against completion of the project, basing their decision on the poor dollar-return of the investment. Equally compelling is the completion cost estimate—\$500 million!

The uncompleted portion of the canal lies entirely within the district of Congressman BUDDY MACKEY. Buddy has fought tirelessly to kill this project since first coming to Congress.

H.R. 3670 turns the uncompleted portion of the canal into a national conservation area, forever preserving the beautiful Oklawaha River for generations to come. I compliment BOB ROE and ARLAN STANGELAND, ranking members of the Public Works and Transportation Subcommittee on Water Resources, for their attention to this controversial issue and I urge my colleagues to support this legislation.

Mr. Chairman, I would also like to point out at this time that the Water Resources Subcommittee went down to Florida, personally went out on the completed portion of the canal, and looked at the destroyed part of the Oklawaha River. They tirelessly listened to the testimony that was given by members of the environmental community and the business community of the State of Florida. They recognized the need to preserve the Oklawaha River, and they finally agreed with the gentleman from Florida [Mr. MACKEY] and with me that it was not to the best interests of the county to complete this canal.

In doing so, they worked out a compromise which was brilliant and which preserved the land that had been acquired for this canal. In doing so, they had some tremendous cooperation from Congressman BENNETT, Congressman CHAPPELL, and Congressman PEPPER, and, of course, Congressman MACKEY and I were able to work to-

gether to work out this compromise. I thank them for their efforts, for going to Florida, for the hearings, and for all the good work they did in bringing about the provisions in that portion of this bill that will deauthorize the Cross-Florida Barge Canal.

Mr. HOWARD. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. Mr. Chairman, I rise in strong support of the bill.

I know that communities across America have a keen interest in this measure, and that also includes Jefferson County, AL. Jefferson County and the city of Birmingham which I represent have been plagued for decades by flooding around what is called Village Creek.

Mr. Chairman, as this committee bill so ably recognizes, when it rains hard, Village Creek becomes a raging river that floods the residences and businesses located by the sides of it. This flooding has become not only frequent but deadly since the 1940's. I spoke to a man in one part of my district, in the Ensley neighborhood, who has seen flood waters rise over the top of his chain-link fence and neighborhood dumpsters wash away. And in 1965 a young man was drowned when the creek became a river and rushed down his neighborhood. By the end of the 1970's the Army Corps of Engineers estimated that flooding around Village Creek resulted in annual property damages of over \$2.7 million.

Mr. Chairman, it is clear that our cities alone cannot handle the problem of severe flooding, even though the city of Birmingham by itself has spent \$2.5 million beginning in 1930 and has spent millions of dollars since then. This bill addresses this important and urgent need, and I wholeheartedly endorse the measure and urge its adoption.

Mr. HOWARD. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER], a member of the Committee on Interior and Insular Affairs.

Mr. MILLER of California. Mr. Chairman, I appreciate the opportunity to address the issues raised by consideration of H.R. 6, the omnibus Corps of Engineers water resource project authorization bill.

This legislation contains many provisions of direct interest to those of us concerned with water resources development matters in the western United States. Indeed, many provisions in this bill as it was introduced, amended or revised statutes under the jurisdiction of the Committee on Interior and Insular Affairs. As chairman of the Subcommittee on Water and Power Resources, I was concerned by this effort to revise these laws.

Accordingly, Chairman UDALL requested sequential referral of H.R. 6 because the bill, as reported by the

Public Works Committee, contained a number of provisions revising or amending Interior Committee statutes. The Speaker granted this request and the Interior Committee considered H.R. 6 on September 11, 1985. The Interior Committee recommended several significant changes in the bill which I would like to discuss today.

One important change requires that non-Federal interests contribute at least 50 percent of the cost of feasibility studies for Bureau of Reclamation projects. This is currently the Interior Department's policy, but on too many occasions, the policy has been ignored.

We believe this is a significant reform because it will insure greater consistency between the planning programs of the corps and the Bureau. It will also insure that non-Federal entities pay a fair share of the cost of feasibility studies in a timely manner.

The Interior Committee also approved amendments which require further congressional action for any interstate compacts or agreements. H.R. 6, as reported, would have given the consent of the Congress for the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to enter into agreements dealing with comprehensive planning of the Upper Mississippi River.

The Interior Committee amendments would authorize these States to enter into negotiations for an interstate water compact or agreement. Any agreement or compact developed by the States would become final only after ratification by an act of Congress.

The committee believes it is inappropriate for the Congress to give prior consent to any interstate water compact or agreement without full knowledge of the contents of the agreement. Agreements or compacts should be approved only after they have been submitted to the Congress as required by the Constitution.

The most important amendments approved by the Interior Committee were those recommending deletion of title XII from H.R. 6.

Title XII would make two important changes in existing law. First, it would establish a National Board on Water Resources Policy to coordinate Federal water resources policies and programs, and undertake planning studies. The Board would also establish, by rule, principles, standards, and procedures for the formulation and evaluation of Federal water projects.

Second, the Board would make grants to States to assist in water resources planning. A total of \$100 million is authorized to be appropriated for fiscal years 1986 through 1990 for these planning assistance grants.

I appreciate the efforts of the Public Works Committee to fashion a bill to gain the strong support of those interested in reforming water resources

policy. I understand why they included the Board and the State grant program in H.R. 6. However, I do not believe either of these proposals merit enactment at this time.

I believe it is important to provide some background on the issue of a water policy Board. The Water Resources Council [WRC] was established in 1965 to serve as a focal point for Federal activities on water resources policy. For over 15 years, the Council served as a forum through which water resource issues could be discussed, greater consistency developed, and liaison with the States could take place.

However, in 1981, the administration terminated funding for the Council, as well as for the six river basin commissions which also were established in 1965. At the same time, the principles and standards for planning projects, which had been implemented as rules in 1979, were revised and reissued as guidelines. Moreover, authorization and appropriations for the State grant program were not extended.

Thus, the administration and the Congress have chosen not to fund either the existing Water Resources Council or the State grants. I have not received any indication from the administration that they have changed their minds on funding this new National Water Resources Policy Board or \$100 million in State grants.

Moreover, I doubt whether creating another agency of the Federal Government will, in fact, lead to genuine water resource policy reform. The Water Resources Council was created to provide leadership and improvement in Federal water resources activities. However, the Council was ineffective in implementing reforms and providing leadership on such issues as eliminating uneconomic projects, tightening project evaluation criteria, reducing Federal expenditures on water projects, and promoting less expensive and environmentally damaging solutions to water problems. The cosmetic changes in membership and voting rules required by this legislation for a new Board will not result in genuine reforms.

I appreciate the effort to achieve uniformity in Federal planning efforts by requiring the Board to promulgate, by rule, new planning principles, standards, and procedures (hereafter "Principles and Standards"). It is important to note that the principles and standards were issued as rules in 1979. However, they were reissued as guidelines in 1981. The important distinction between "rules" and "guidelines" is that rules are third party enforceable through court action. Thus, if the principles and standards were issued as rules, any deviation from the rules by Federal planners could lead to

court action and further delay in the completion of projects.

It should also be noted that H.R. 6, as reported, requires that the new principles and standards include a new "regional economic development" objective for each project. The effect of this requirement will be to artificially enhance the benefits of many otherwise uneconomic projects. I strongly believe that the principles and standards should provide a fair evaluation of water projects and result in worthy projects, not open the door to uneconomic projects.

Finally, there is the matter of authorizing \$100 million for water resource planning grants to the States. Funds for this purpose were first authorized by the Interior Committee in 1965. Between 1965 and 1980, that authorization never exceeded \$5 million per year. In 1981, both the administration and the Congress agreed to allow the program to lapse. Since 1981, no funds have been appropriated for the State grants program.

Mr. Chairman, I do not see a compelling need to authorize \$100 million in State grant funds. The original 1965 funds assisted the States to establish their planning programs. The Federal Government continued this assistance for over 15 years. The program worked; it did the job. Given the need to reduce Federal expenditures, and the fact that no funds have been made available for 5 years, I don't see any justification for reestablishing a \$100 million program.

Mr. Chairman, I appreciate the hard work of the Public Works Committee to fashion a fair bill. However, I hope all Members will carefully consider their vote on this bill. The staggering costs of this bill—almost \$13 billion—are sobering. They are outweighed only by the immense task facing this country to provide a sound public works infrastructure.

□ 1450

Mr. HOWARD. Mr. Chairman, I yield 4 minutes to a valued member of the Committee on Public Works and Transportation, the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Chairman, I rise in strong support of H.R. 3670. I would particularly like to commend the chairman of the Water Resources Subcommittee, Mr. ROE, for his tireless efforts in fashioning this truly landmark legislation.

As members of the Public Works and Transportation Committee are well aware, the citizens of Sonoma County in California have faced a disastrous wastewater storage crisis that continues to cloud the entire county's economic future. Over the last several months, the county has experienced a moratorium on all new sewer hookups and thousands of residents who rely on the Russian River for their water

supply have faced potentially serious health hazards.

H.R. 3670 will directly address this situation by authorizing a wastewater reclamation project.

Pursuant to this, Mr. Chairman, I would like to engage the gentlewoman from California in a short colloquy.

I yield to the gentlewoman from California, who has been most diligent in seeing that the concerns of the residents in southern Sonoma County are adequately addressed in this legislation.

Mrs. BOXER. I thank the gentleman for yielding, and I commend my colleague's efforts in helping remedy the serious problem of wastewater disposal in Sonoma County. It is my understanding that the modified language included in the committee floor amendment provides flexibility in terms of what the Corps of Engineers can construct rather than the original committee-approved language. In other words, the marsh or wetlands alternatives will be included. Is that the gentleman's intent?

Mr. BOSCO. My friend is correct. The committee floor amendment language will allow the corps to proceed with one or all of the possible reclamation alternatives, which include construction of the Tolay Lake project or marsh or wetlands creation. This added flexibility should allow the corps to develop the most cost-effective and environmentally sound approach among the competing alternatives.

Mrs. BOXER. The language of the amendment describes the location of the project as "in the vicinity of the former site of Tolay Lake in Sonoma County." Is it the gentleman's intent that this language describe any appropriate location within the county of Sonoma?

Mr. BOSCO. The gentlewoman's understanding is correct, and in fact it is my intent to request modification of the language in conference to clarify the issue of location. The intent of the language is to encompass all alternatives described in the Environmental Impact Report, wherever they may be located in the county of Sonoma?

Mrs. BOXER. Is it not also the gentleman's intent that this project be developed in coordination with the local governments in the area?

Mr. BOSCO. Absolutely. The language specifically directs the corps to undertake extensive consultation with all affected local governments. This will ensure that south county residents have ample opportunity for input into project development.

Mrs. BOXER. Finally, I would like to ask my colleague if it is his intent to specifically preclude the construction of the ocean outfall alternative?

Mr. BOSCO. The language would specifically preclude construction of the ocean outfall alternative. It is my

belief that such a solution would be environmentally unacceptable, and could lead to litigation and delay.

Mrs. BOXER. Mr. Chairman, if the gentleman will yield further, I would like to say to the gentleman that it has been a pleasure working with him on this project. It is a very difficult one, and with us working together and with the chairman, I think we can come to a successful conclusion.

Mr. BOSCO. Mr. Chairman, as a strong supporter of H.R. 3670, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985, I would like to bring to my colleagues' attention an important flood control project in this measure affecting the citizens of Lake County, CA.

Over the last several years, recurring flooding around Clear Lake has caused severe damage to the surrounding community. Several urban areas, as well as over 4,000 acres of agricultural lands, have been continually threatened. Future development along the entire Clear Lake rim has also slowed due to understandable concern over flooding conditions.

Recognizing that the lake level cannot be controlled until the capacity of the Clear Lake outlet channel is increased, Lake County officials and concerned citizens have been meeting regularly over the last 10 years to help develop an effective means for increasing this capacity. In 1979, the Corps of Engineers proposed a project for improvement of the outlet channel and construction of a 1.1-mile-long bypass channel around the large rock obstruction located in the channel. In 1984, this project was approved by the Lake County Board of Supervisors.

Since then, however, the bypass channel alternative has engendered much controversy. The proposed bypass would pass directly through the Anderson Ranch property, which has been acquired by the State park system. I strongly agreed with those concerned about the proposed channel's effects on the sensitive environmental and archeological resources of the park. In fact, the new additions to the park should help the local economy by enhancing the county's tourism industry.

Fortunately, the entire Lake County community has since united in support of an alternative \$25 million plan authorized in H.R. 3670. In lieu of the controversial bypass channel, H.R. 3670 would direct the corps to accomplish its flood control objectives by directly removing the rock formation at the outlet channel and widening and deepening the channel as described in the Corps District Engineer's Feasibility Study.

While the locals recognize that this may entail slightly higher non-Federal costs, it should effectively alleviate the flooding problem while protecting the environmentally and archeologically sensitive State park. It is clearly recognized as more responsive to local needs, and will ultimately avoid local conflicts that could both esca-

late costs and delay any flood control action for years.

In closing, Mr. Chairman, the proposed Cache Creek flood control project is just one of many examples underscoring the timely and responsive nature of H.R. 3670. I urge my colleagues to support this truly landmark legislation.

Mr. STANGELAND. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. MOORE], a member of the Ways and Means Committee.

Mr. MOORE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985. The people of this Nation have waited too long a time for new water projects from Congress to protect them from floods and to provide them with jobs. My State of Louisiana is a poignant reminder of the need for water projects. Last week, Hurricane Juan struck and much of southern Louisiana was flooded. 50,000 people were left homeless, most of our agricultural crops were destroyed, and the State is left with over 1 billion dollars' worth of damage. New levees and pumping stations could have prevented most of the damage and saved many lives. Water projects are not pie in the sky to us. They provide necessary protection for our citizens and commerce.

H.R. 6 provides needed protection for residents of my district along the Amite, Comite, Tangipahoa, Tchefuncte, Tickfaw, Bogue Chitto, and Natalbany Rivers, and the Pearl River Basin. These areas have experienced 200-year floods in the last 6 years, causing hundreds of millions of dollars of damage and countless misery for the areas residents.

This bill also provides for the improvement of the Mississippi River ship channel from the gulf to Baton Rouge. This channel deepening will provide benefits to our entire Nation at benefit/cost ratio of 8:1 and ensure that two of the Nation's greatest ports, Baton Rouge and New Orleans, as well as one of the Nation's most important industrial areas, will continue and improve their service to the American economy.

H.R. 6 also protects the environment. This bill includes provisions that will insure that the Atchafalaya Basin, this Nation's largest hardwood swamp, will be there for our sons and our son's sons. In a unique program, the State of Louisiana and the Federal Government are cooperating in the purchasing of 50,000 acres of land to preserve this natural wonder.

But I do not only support this bill because it authorizes projects that will help my State and our Nation, but it achieves this while controlling costs.

This bill deauthorizes over 300 projects at an estimated savings of \$11 billion. Furthermore, this bill includes cost-sharing provisions on port construction and an ad valorem tax on cargo that will save the Federal Treasury billions of dollars.

Our citizens have waited a long time for this bill and the time is now for Congress to act. We cannot afford to let this Nation's great water resources to decay. This bill is more than a simple authorization, it is an investment in our future.

I urge Members to support this bill to insure flood protection for our people and safe navigation for our commerce.

Mr. STANGELAND. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. MYERS], the ranking Republican on the Subcommittee on Energy and Water Development of the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Chairman, I rise in support of this legislation. I join many others here in complimenting the twins from New Jersey, Chairman HOWARD and his colleague who have worked so closely together here, as well as the two ranking Republican members here, the minority members, the gentleman from Kentucky [Mr. SNYDER] and the gentleman from Minnesota [Mr. STANGELAND].

It has been 15 years since we have had a bill this size dealing with this subject that came to the floor. It has been 9 years since we have done anything at all to amend these projects. It has already been suggested that these two members, the gentleman from New Jersey [Mr. ROE] and the gentleman from New Jersey [Mr. HOWARD] who have worked diligently for the last 3 years to bring a bill to the floor, as well as the gentleman from Minnesota [Mr. STANGELAND] and the gentleman from Kentucky [Mr. SNYDER]. They do have a very good bill here. They tried to perform and were unsuccessful, through no fault of their own.

Through the years from the Appropriations Committee I have learned to work with this committee. They have always been most easy to work for.

But it always concerns me that once in a while, as has already been suggested here, we refer to the programs provided for in this legislation as "pork barrel." When I hear that I look at the individual who uses the media and think how sorry it is these people have not examined what is really in this legislation.

We take this water for granted. We do not make any more water. We do not manufacture water. It is always there. We just turn the faucet on and it is there; but this bill deals with water, whether it be municipal and industrial water, such as we drink, and we are drinking more and more water every day and using more and more in

our everyday life, as well as for industrial use.

But also this committee deals with the excess water that we are experiencing just a few miles from here in Washington, the floods.

But a very important role is transportation, also provided for in this legislation, water transportation, inland waterways, as well as the ports that are so important to our commerce and the balance of trade.

This possibly is one of the most important bills that will come before this Congress this year. I know we hear that so often, but the word infrastructure, whatever it means, it means that we are investing in our own future. I know of no other legislation that meets the test that these programs provide in this legislation that will return more to the investors, the American taxpayers, that we have to answer to every day. No other bill has to meet a test that brings back and returns more to them than it costs.

This is a bill that every Member of this Congress, every Member of this body should support.

I again congratulate the members of this committee for bringing this very fine bill to the floor.

Mr. HOWARD. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman, I want to thank the gentleman from New Jersey [Mr. HOWARD] and the gentleman from New Jersey [Mr. ROE] for their excellent efforts in crafting this bill after so many months and spending so much of their valuable time and submitting it today to the floor of the House for consideration. I appreciate their efforts.

As we stand here this afternoon and deliberate this very important measure, there is a serious flooding condition developing in the Monongahela River Valley of southwestern Pennsylvania. I received a call just about a half hour ago that a community is already under 3 feet of water. They are evacuating people from their homes in rowboats and the condition will become extremely serious for about 46 miles of riverfront from Brownsville to Pittsburgh. Pittsburgh is already over flood stage.

We only have two dams that are preventing a national disaster in the Monongahela Valley today. One was built in the 1960's. The other was remodeled in the 1970's. This measure provides for the replacement of locks and dams numbers 7 and 8 near the headwaters of the Monongahela River where the Cheat and Tygart form the Monongahela River near the border of West Virginia.

□ 1505

These locks and dams were constructed in 1925 and are in a deteriorated

rated condition. Today I have a report that the water has inundated these two locks and dams and we can hardly see anything except the one structure above the one lock, that being the control house. The rest are under water.

We can only hope that in southwestern Pennsylvania, when the waters recede and the rain stops, that these locks and dams will still be in place, for they carry thousands and thousands of tons of coal from the coal fields of southwestern Pennsylvania and West Virginia to the industrial heartland of America. We will have a national tragedy on our hands of unparalleled proportions in western Pennsylvania if these locks and dams collapse.

I want to commend the committee for their foresight. I hope we expeditiously pass this and the other body does the same so that within a few years we can have new dams and locks and prevent this type of disaster.

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. I thank the gentleman for yielding this time to me.

Mr. Chairman, tomorrow Congress will debate and hopefully pass H.R. 6. I want to voice my full support for the bill and thank Chairman HOWARD and Chairman ROE for bringing this bill to the floor.

H.R. 6 includes a flood control project along the James River protecting important parts of the city of Richmond, which is in my district.

When I left Richmond this morning, the weather reports said that the rains would continue and the river would possibly rise to 28 feet, which will cause the third most devastating flood in that great city's history. This is just one more sad chapter in a long story of flood problems and the costs which are attributed to those floods.

The floodwall will turn back those floods, prohibit the costly damages and allow for economic development generating revenues for the city and the Nation.

There are many other districts in the same situation as mine. We need H.R. 6 and we need it now. Mr. HOWARD, Mr. ROE, Mr. SNYDER, and Mr. STANGELAND have known this for quite some time. I have always supported them and will continue to do so. I ask all Members to join me in support of H.R. 6.

Mr. STANGELAND. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of H.R. 3670. Mr. Chairman, the arrival of H.R. 3670 on the House floor today is a very welcome sign of progress on efforts to address our deteriorating water resources infrastructure. Every Member in this body has a vital inter-

est in H.R. 3670, which will enhance the many benefits our Nation's water resources bring to this country.

Like many Members in the well today, I have a special interest in this bill. As a Representative of the beautiful Pennsylvania shoreline gracing Lake Erie, I have seen over the years the need for an erosion control project to protect the coast of Presque Isle State Park. To many of you, Presque Isle is just another name on a shopping list of urgent projects in need of Federal funding. Indeed, many are not aware that over 4 million people visit Presque Isle Park each year, and that is twice the number that the Grand Canyon National Park attracts. To these visitors, and to the residents of northwestern Pennsylvania, Presque Isle provides economic livelihood to area businesses, and recreational escape to vacationers.

A serious erosion problem at Presque Isle was first identified over 20 years ago when the Corps of Engineers studied the shoreline. To combat erosion, a system of 58 breakwalls was recommended for construction in a report issued by the corps in 1981. Continued delay of this construction is causing serious damage to public as well as private facilities along the shoreline, threatening future development of Presque Isle's surrounding areas. For these reasons and many more, I cannot stress enough the significance of this project contained within H.R. 3670.

Mr. President, because Presque Isle is so important to my district for so many reasons, I have followed this omnibus legislation closely. I cannot conclude my remarks without expressing my gratitude and deep admiration to the members of the Public Works Committee and their staff who have worked so diligently to bring this bill to the House floor today. My special thanks must be extended to the distinguished chairman of the full Public Works Committee, Mr. HOWARD; the chairman of the Water Resources Subcommittee, Mr. ROE; as well as our respected ranking members, Mr. SNYDER and Mr. STANGELAND.

Certainly, any bill of this scope and complexity could not possibly garner the support of every Member in all its details. Indeed, I maintain reserved objections to certain provisions of the navigation tax title. However, there is no question in my mind that any objections to specific provisions must not endanger the final passage of this much needed, and long-overdue authorization measure. The authors of H.R. 3670 crafted a fine piece of legislation, and I urge my colleagues on both sides of the aisle to endorse and approve this important measure before us today.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. RIDGE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman for his statement. I had the opportunity, on Sunday morning of this week, to look at the erosion process along the peninsula within the boundary lines of Erie and I believe that it is a very worthy project. We are pleased that it is in this bill and I commend the gentleman.

Mr. RIDGE. I appreciate the gentleman's remarks and his support for this particular legislation and, indeed, this special project.

The CHAIRMAN. The Chair will state that the gentleman from New Jersey [Mr. HOWARD] has 5 minutes remaining and the gentleman from Minnesota [Mr. STANGELAND] has 10 minutes remaining.

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BOULTER].

Mr. BOULTER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of H.R. 6. When this House passes H.R. 6 tomorrow, it will be an important milestone for the city of Wichita Falls, TX. That city has a severe flooding problem. It floods there nearly every year and there is about \$346 million worth of property that is subject to flood damage.

Last June, Congressman TOM DELAY, and Congressman TOM LOEFFLER, and I were holding hearings in the city of Wichita Falls dealing with the problem, and almost as we were holding the hearing, the body of a very young boy was discovered who had lost his life in a flood in June in Wichita Falls.

In 1982, almost \$30 million worth of property damage was caused by this chronic flooding problem.

So we clearly have a project that is very much needed. H.R. 6 authorizes this flood control project and I want the Members of this body and my colleagues to know that in July the city of Wichita Falls acted on a promise to do everything it could to provide its share for cost sharing overwhelmingly, by a margin of some 87 percent, and passed a bond issue which would provide that city's share of the costs.

On several occasions, Mr. Chairman, I have discussed the Holiday Creek project with the chairman and ranking members of both the full committee and the subcommittee, and I just want to thank the gentlemen from New Jersey [Mr. HOWARD and Mr. ROE], the gentleman from Kentucky [Mr. SNYDER], and the gentleman from Minnesota [Mr. STANGELAND] for their strong support of this project.

Mr. HOWARD. Mr. Chairman, I yield 2 minutes to a valued member of

our committee, the Delegate from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. I thank the gentleman for yielding this time to me.

Mr. Chairman. I rise in support of this legislation. The substitute bill, H.R. 3670, is a bold and innovative attempt to deal with the Nation's water resources infrastructure. This attempt has been long overdue, and I commend the chairman of the Public Works Committee, Mr. HOWARD, and the chairman of the Subcommittee on Water Resources, the hard-working Mr. ROE, for their insight and leadership.

Distant from supplies and markets, with limited natural resources, and at varying levels of development, the insular areas of our country are far more dependent upon ocean shipping and impacted by its expense than are other areas of the mainland United States.

Because of the unique dependence of the insular areas on ocean freight for almost all consumer and business goods, we sought an exemption from the harbor-use tax created by the bill. With the assistance of Chairman UDALL, we were able to secure such an exemption in the Interior Committee markup of this bill, and I thank the chairman for his consistent consideration and understanding of the needs and problems of the insular areas.

The substitute bill, as it now stands, provides that cargoes imported into the insular areas from the mainland would be exempted from the tax, while exports from the insular areas to the mainland would remain subject to the excise tax.

This partial exemption, as developed by the Ways and Means Committee, recognizes the adverse impact that such a tax on ocean cargo would have on the ability of consumers in the insular areas to purchase the bare necessities of life, especially given the already high cost of living in the insular areas, which far surpasses that on the mainland.

I appreciate Chairman ROSTENKOWSKI's consideration and support in this matter, and I urge support for the legislation.

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Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Chairman, I would like to express my deep gratitude to the gentleman from New Jersey [Mr. ROE], our distinguished chairman; and the gentleman from Minnesota [Mr. STANGELAND], our distinguished ranking minority member, and all the members of the committee and the staff for this legislation that I know you have worked on for more than 4 years.

It is going to be a great thing for our whole country. I am so grateful that in

Nebraska our section, sponsored by all of our delegation, has been approved, because now, for the first time, we are going to have a change to stop that tremendous flooding on the Platte River that we have endured year after year.

I know many times we have said that every \$1 invested in flood control yields \$7 back, and this program will demonstrate sound economic judgment on the part of Congress. This will be a great thing for our Nation.

Mr. Chairman, I rise in support of section 530 of title V of H.R. 6 and of the bill itself. This bill and this section present the best hope the people of Nebraska have had in nearly 15 years for addressing the increasingly frequent and intensifying chronic flood problems along the Platte River and its tributaries.

This huge, complex bill may need some fine tuning. This legislation for the first time attempts to address the extraordinarily difficult issue of cost-sharing—an issue that I have grave concerns about.

It always seems that upfront money demands are made upon people who can least afford to pay it. The bill's clear acceptance of in-kind contributions—studies, repairs, improvements, property easements, operation, maintenance, and other forms of noncash work—as well as cash, helps meet some of my concern about the cost-sharing concept. Time will tell whether the bill's provisions are beneficial to State and local interests and to the Nation at large.

I intend to support the amendment by my good friends and colleagues, the gentleman from Wyoming [Mr. CHENEY] and the gentleman from California [Mr. MILLER] that would strike title XII, which would create a totally useless National Water Policy Board to replace the totally useless—and still authorized—Water Resources Council.

As long as this country's policy is to leave water-development decisions to State and local jurisdictions, there is no real need for a national body that does nothing but plan.

Arguments that much duplication of time and money occurs for lack of such a bunch of bureaucrats has been made. But I submit that this Nation's water problems are so many, so diverse, spread over such a huge geographical area, that no single Federal agency can presume to decide whether, for example, Nebraska's people are in greater need than, say, the people of Texas, or Oregon, or Alaska.

I say it is the responsibility of State and local leaders to convey to their elected Representatives in the Congress their respective needs for water-planning action.

And it is Congress' job—not the proper function of Federal bureaucrats, no matter how expert—to winnow these demands and needs and

assign priorities among regions, to resolve conflicts, to set the terms and conditions under which Federal dollars shall be used in the continuing productive partnership between Federal and local resources.

I intend to oppose any amendment that would revive the infamous plan of last year put forth by the Office of Management and Budget that would have immediately more than doubled the bills for electric power to dozens of cities and towns in my district dependent for all or part of their needs upon hydroelectrically generated power from Federal facilities.

This sharp additional cost would be passed on immediately to the desperately financially troubled farmers, ranchers, businessmen, and all consumers generally in rural Nebraska.

Testimony before my Appropriations Subcommittee on Energy and Water Development earlier this year revealed that the cost to Nebraska's municipalities alone would have jumped to more than \$6.7 million this fiscal year from only about \$3.7 million in the previous 12-month period.

It is my understanding that an amendment will be offered aimed at making these towns and their power customers begin paying higher bills by requiring a straight line amortization, including interest at current rates.

This would break agriculture—pure and simple. Even if the proposed cap of an annual increase of 5 percent were adopted, it would still be an unwarranted burden on people who already are in deep trouble.

Last year, Congress rejected the idea out of hand. I will ask my colleagues to reject it again—as it should be, at least until prosperity again smiles on our agricultural sector.

As for port taxes and user fees generally, I have reservations. Any additional freight charge on agricultural products seems to be passed mainly back to farmers and ranchers—not forward to consumers. Any such additional change tends to make our farm products less and less competitive in foreign trade. Our farm exports are plummeting—by 25 percent in value since 1980. The agricultural trade surplus has dropped to \$12 billion currently from \$19 billion a year earlier.

This is happening mostly through no fault of our producers. Indeed, the Federal Government's well-intentioned but misguided policies have smashed our agricultural sector with soaring inflation, skyrocketing interest rates, subpar commodity prices, an overvalued U.S. dollar, sharper and unfair foreign producers' practices and policies, destructive cargo-preference laws—and now more users fees and port taxes.

On behalf of the people of Nebraska's Third Congressional District, I thank the distinguished chairman and

ranking minority member for accepting my plan, set forth in section 530 of title V, for Nebraska as part of this important public works bill.

This legislation is not perfect, but we have run out of time both along the Platte River and the Halls of Congress. With \$1 billion of property and crop damages being reported in recent years in Nebraska and other farm States from floods, we can wait no longer.

My plan would authorize a 5-year, \$25 million program of construction of conventional and innovative flood control, bank stabilization, and wildlife enhancing demonstration projects beginning with the 46-mile reach of the Platte River from Hershey eastward to the Lincoln County line.

As the second ranking minority member of the House Appropriations Subcommittee on Energy and Water Development, I have always looked to State and local leadership in shaping Federal water policies affecting Nebraska.

Therefore, our Nebraska section provides that demonstration projects shall be carried out in coordination and consultation with a watchdog Platte River advisory group consisting of representatives of the State of Nebraska and local political subdivisions, affected Federal agencies such as the Bureau of Reclamation, and such other private water planning and preservationist organizations as the Secretary of the Army may designate.

My plan was crafted in consultation with the two other Nebraska Members in the House, who are joining me in sponsoring this legislation. Technical guidance was provided by the Army Corps of Engineers planning experts, the House Office of Legislative Counsel, and the Public Works Committee staff.

Testimony about the problems was presented to my appropriations subcommittee by representatives of the Twin Platte Natural Resources District and the Platte River Flood Control Association. My plan can be changed and amended as the bill H.R. 6, moves through the full legislative process, including consideration of a Senate version, and, presumably, in a House-Senate conference committee to reconcile differences in the two versions.

Most importantly, money can be spent for any demonstration projects under my plan only with the approval of my House Appropriations Subcommittee on Energy and Water Development.

The subcommittee holds hearings annually here in Washington, usually late in March or early April to allow State and local leaders to express themselves about individual projects. Special hearings can be scheduled sooner than that in cases of emergency.

I hope and trust that our State and local water planning experts will avail themselves of the many opportunities to help us refine this new flood-fighting plan.

Here are key provisions of my plan as detailed by this amendment:

The Army Secretary is authorized and directed to establish and conduct for 5 years at multiple sites on the Platte River and its tributaries in Nebraska a demonstration program consisting of projects for flood control and streambank erosion prevention.

Objectives are the protection of property, environmental enhancement, and social well-being.

Every new, old, experimental, or innovative device, structure, and technique is authorized to be employed in trying to solve the difficult problems encountered in trying to use and conserve the Platte River waters and stabilize river banks. This includes dams, concrete jettys, special erosion-fighting fence-like arrangements, discarded automobile tires—anything that will work.

Use of construction funds for planning and research is authorized, including employment of all the new information and techniques developed under the Streambank Erosion Program conducted under section 32 of the Water Resources Development Act of 1974. Even though this program expired on September 30, 1982, little effort has been made to exploit its significant research and development work.

Environmental impact of each demonstration project and each streambank measure shall be evaluated with the view of enhancing wildlife and wildlife habitat as a major purpose co-equal with other purposes and with the view of minimizing environmental losses.

Demonstration projects shall address a variety of geographical and environmental conditions beginning with the Lincoln County area, moving thence to that reach from the boundary between Colfax and Dodge and in eastern Nebraska to the confluence with the Missouri River and that portion of the Elkhorn River from the boundary between Antelope and Madison Counties to the confluence with the Platte River.

As in many other Army corps projects, construction and planning shall be at full Federal expense, but State and local entities must provide lands, easements, and rights-of-way necessary for construction, operation, and maintenance of the demonstration projects, and other cost-sharing as provided in other sections of this bill.

The Army Secretary must report to Congress each year of the demonstration program on work undertaken.

I urge my colleagues to approve this section and the bill on final passage.

Mr. STANGELAND. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. I thank the gentleman for yielding me this time.

Mr. Chairman, ever since I came to Congress, I have been supporting and working for a bill of this nature to become passed so that it will help millions of Americans who need protection from unnecessary flooding around the country. I actually served on this subcommittee for 4 years, and I can tell you that it has been a source of constant frustration and irritation every time we come close but we are unable to pass this bill. One year, the bill I think even was the very last measure on the floor before the whole session ended, and the clock ticked out, and we were not able to pass it.

But, in fact, the bill is critical to many people who are indeed suffering from unnecessary flooding, because this bill cannot get through the Congress. Just last week, thousands of Louisiana citizens were flooded from their homes unnecessarily. I say unnecessarily because legislation such as this could have prevented those floods.

Some people say this is pork barrel. It is not pork barrel, it is pure survival for many, many people.

It does not take much water, Mr. Chairman, to totally disrupt the lives of an American family as they get flooded from their home. One inch will cause them to pull up their rugs and throw them out. Two or three inches of water will rise into the baseboards and into the sheetrock. They have to pull the baseboards out, they have to cut out the sheetrock, and they have to pull out the insulation and throw it away and totally redo their houses. Four inches to a foot gets the furniture and the appliances, and the refrigerator goes out, and they have to live out of an icebox or an ice chest. And 2 to 3 or 4 feet of water and, of course, the beds are gone, their clothing is no good any longer, and in all likelihood, they will lose their automobile as well.

Mr. Chairman, flooding is a misery, and it brings abject misery to American families and it can be stopped. That is why it is within our power and we should pass H.R. 6.

Mr. STANGELAND. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I am pleased to rise in support of H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985.

This bill is the result of 34 days of hearings which were held over a 3-year period, during which testimony was received from 486 witnesses. The subcommittee has heard testimony from all interested parties including Members of Congress, Federal and

State officials, representatives of local organizations, environmental groups, and concerned citizens. We have carefully examined the concerns and recommendations of all parties. The result is a bill which presents innovative, yet equitable solutions to the complex economic, political, and social issues posed by the creation of a nationally coordinated water resources policy.

Mr. Chairman, I rise in support of H.R. 6, the Water Resources Conservation, Development and Infrastructure Improvement and Rehabilitation Act of 1985.

The bill is the result of extensive hearings, and I am not going to go into that in depth, but I just want to say that I am very appreciative of the many hours that the members of the subcommittee and the full committee have devoted to this legislation. I certainly want to express my gratitude and appreciation to the chairman of the subcommittee, the gentleman from New Jersey, Mr. ROE, with whom I have been privileged to work on this legislation for his diligence, his fairness, having heard everyone who wants to be heard on the matter.

I also want to commend the chairman of the full committee, the gentleman from New Jersey [Mr. HOWARD], for allowing the Public Works and Transportation Committee to work in an open forum, to hear all sides so when we craft legislation, it is legislation that all can agree with.

I also want to acknowledge the leadership and the assistance of the committee's ranking Republican, the gentleman from Kentucky [Mr. SNYDER], a man who in the 100th Congress is going to be sorely missed. Certainly it will be a tribute to his hard work on that committee for many, many years when we finally pass H.R. 6 and it becomes law.

You know, it has been said, and there has been talk of pork. Let me tell you that some people's pork is other people's bread and butter.

Why does this bill come out of the Public Works and Transportation Committee unanimously? It is because the Public Works and Transportation Committee works in a bipartisan, non-political fashion. And why do they work that way? It is because this bill affects every Member in this House of Representatives. Why does it affect every Member? Because the benefit accrues from this legislation on every citizen of these United States, and there is no pork. It is good, sound business sense, good sound economic sense, and good sound environmental sense to pass H.R. 6.

I would hope that when final passage comes that this bill passes out of here even more overwhelmingly than it did twice last year.

Mr. Chairman, the enactment of a comprehensive water resources law is long overdue. The last water resources development bill to be signed into law was in 1976.

The last true construction authorization law was enacted in 1970. The failure of this Nation to enact such a law has not been due to a lack of concern by this body.

Many of you remember that during the 95th Congress both the House and Senate passed omnibus water project authorization bills, but final agreement could not be reached before the adjournment of that Congress.

During the 96th Congress the House again approved a water resources development bill. The Senate, however, was not able to complete its work before adjournment.

Despite the diligent effort of many Members of this body—many days of hearings that were held—the House and Senate were unable to approve a water resources development bill during the 97th Congress. The effort during that Congress, however, helped to produce the water resources development bill which was approved on two different occasions during the last Congress and, I might add, by overwhelming margins. This legislation, however, failed to become law due to the opposition of the administration and the inability to bring a bill to the floor in the Senate despite widespread support in that body.

Mr. Chairman, the time has come to act decisively on the paramount issue of creating a nationally coordinated policy for water resources use and development. Our Nation's infrastructure is in dire need of repairs, rehabilitation, and improvement. The importance of this infrastructure to the economic well-being and quality of life of all Americans makes it imperative that we develop a water resources policy through which Federal and State governments can work together to maintain our existing infrastructure and provide for continual growth in this way, we can help to meet the needs of our Nation.

It is not only an important bill from a national perspective but it is important regionally and locally.

In my region, for example, the bill makes significant strides toward economic development in a way that is both fiscally responsible and environmentally sensitive. The bill calls for construction of a second lock at Sault Sainte Marie, MI, and expedited study of a second lock parallel to the existing Poe lock. Also as part of the committee amendments printed in yesterday's CONGRESSIONAL RECORD, at my request we will be adding authorization of rehabilitation work for the Eisenhower and Snell locks on the St. Lawrence Seaway. Repair of these locks is needed to ensure that the system continues to function efficiently. The recent breakdown of the Welland Canal, under the jurisdiction of Canada, demonstrates the essential nature of these improvements to movement of cargo in the Great Lakes region.

I am also happy to be able to report that our bill ensures that traffic on the St. Lawrence Seaway will not be subject to double taxation. Our bill authorizes a credit for seaway tolls paid by vessels against the new ad valorem port user charge which is authorized in title XV of the bill.

Also contained in the bill are provisions to implement the Upper Mississippi River Basin plan developed in cooperation with the affected States and the Federal Government. The upper Mississippi region is a unique and environmentally sensitive region which is heavily dependent on inland waterway transportation. The Upper Mississippi River Basin plan strives to achieve a balance between the needs of navigation, recreation and protection of fish and wildlife resources.

I would also like to take a moment to take note of a number of projects located in my district which are badly needed. One of these provides for cleanup of Sauk Lake at Sauk Centre in Stearns County, MN. The project would provide badly needed funding to determine the cause of pollution in the lake and to demonstrate measures which will effectively restore the lake to its original condition.

The bill also contains authorization for a flood control project in the northwestern corner of my State. The project would provide flood control benefits in my district and in Canada as well. This is a project that we and the Canadians have been trying to get underway for sometime. It has been fully studied and found to be justified. All that is needed is the green light which this bill provides.

Also contained in the bill is a provision that will allow the corps to take necessary measures to correct erosion problems along the banks of the Red Lake River, approximately 1½ miles west of Gentilly, MN, adequate to protect a nearby highway and bridge.

Although these projects may seem small in comparison to some of the port improvement projects and other large water resources developments initiatives, they are nonetheless vitally important to my constituents and I am pleased that they are included in the bill before us today.

Our water resources infrastructure is a crucial part of our Nation's transportation system. Despite its great importance to our economic well-being, we have allowed this system to fall into a state of disrepair. On the inland waterways, many canals, locks and dams are past the end of their design lives. Of the 194 locks in the inland waterway system, the average age is 40 years, and some locks are approaching 80 years of service. A graphic example of the urgency of this situation is the breakdown of lock and dam 26 on the Mississippi River which blocked inland waterway transportation in the late 1970's and the more recent collapse of a lock on the Welland Canal on the St. Lawrence Seaway.

Our Nation's ports must be dredged and improved so that they can accommodate ships handling over 100,000 tons of cargo and thus allow our exporters of energy resources and agricultural products to take advantage of the economics of scale offered by the use of large vessels. These supercolliers require port depths of 55 feet or more. The average depth of U.S. ports is generally only 45 feet. By contrast, major trading nations such as Japan, South Africa, Australia,

lia, and the Netherlands now have ports which can accommodate fully laden supercolliers.

While our water resources can be put to good use in providing efficient transportation networks, they can also pose major threats to life and property when unleashed by the forces of nature. Floods continue to ravage many parts of the Nation, as evidenced by the recent tropical storms Gloria and Juan. While we will never be able to harness Mother Nature, we have within our capacity the technology to implement cost-effective and environmentally sensitive flood control measures that could save hundreds of lives and prevent billions of dollars in property damage.

We are also beginning to realize just how finite our most precious natural resource, water, really is. In the West, people have lived with the scarcity of water for hundreds of years. Gradually, even in the East and Southeast, where water has been viewed as being limitless, we are experiencing drastic shortages that have forced communities into rationing. Our engineering capabilities need to be marshaled into a new program to insure that all of our citizens, in big cities and small, have adequate, safe, clean supplies of this life sustaining resource.

The bill before us today charts a bold yet deliberate program for ensuring efficient and effective development of our water resources. It is designed to upgrade our navigation system, both inland and coastal; to promote conservation and enhancement of environmental resources; and to afford protection from erosion and damaging flood waters. It represents not only a response to needs that have been building for a decade and a half but a long range investment in capital improvement infrastructure which will serve the Nation for generations to come.

The bill contains 16 titles which address various aspects of water resources use, development and policy.

Title I authorizes six deep draft ports to handle oceangoing traffic from the east, west and gulf coasts. These are the Nation's largest centers of international commerce which are in need of significant improvement in order to stay competitive with foreign ports. Title I also authorizes improvements at 29 general cargo ports. These projects are located not only along our three seacoasts but also in Hawaii and our insular possessions and along our fourth seacoast, the Great Lakes.

To help finance the costs of these improvements, title I provides for bold new cost-sharing requirements under which local sponsors would pay between 10 and 55 percent of the cost of project implementation.

In order to help these localities finance their share of project costs, the bill would authorize local sponsors to implement fair and reasonable user fees intended to shift the financial burden of port development to those that directly benefit from the project. In addition, title I would authorize a program of loan guarantees to assist the ports in finding the capital to help pay for

needed improvements. While I realize that cost-sharing requirements are generally disliked by those upon whom the new burden falls, I note that the provisions in our bill are generally not opposed by the ports that will be called upon to help pay. I believe this is not only because of the fairness of our plan, but also because of a growing realization in all segments of our maritime system that the current Federal budgetary realities will no longer permit a system of almost total Federal subsidy for harbor improvement projects. I am also convinced that the cost-sharing provisions of our bill, coupled with our programmatic refinements, will greatly enhance the entire project selection and development process, leading ultimately to greater economic efficiency and a revitalization of our port system.

Title II of the bill authorizes seven major inland waterway projects. Over the years we have developed a 25,000-mile network of inland waterways used primarily to transport bulk cargo by barge. It is one of the most efficient transportation systems this country is blessed with, and the seven projects authorized in our bill will help to ensure that the system remains efficient and viable.

The bill would require that one-third of the cost of construction for these projects come from the Inland Waterways Trust Fund. The fund was created in 1978 and consists of revenues derived from a tax on fuel used by inland waterway barge operators. Operation and maintenance of inland navigation projects would continue to be a Federal responsibility.

Title III authorizes construction of a number of new flood control projects and revises the cost-sharing requirements for such projects. In the past, non-Federal responsibility for local flood protection projects has been to provide lands, easements, rights-of-way, and relocations needed for project purposes. These costs vary from project to project. H.R. 6 would establish more uniform requirements. Local interests would provide 5 percent of project costs in cash during construction plus any real estate required for the project, subject to a limitation that in no event can the total non-Federal share be less than 25 percent nor more than 30 percent. For nonstructural projects, the non-Federal share would be fixed at 25 percent.

Title IV authorizes over 20 shoreline protection projects to prevent erosion problems, enhance recreation and provide opportunities for conservation of fish and wildlife.

Title V authorizes a variety of water conservation and development projects that do not fall neatly into any particular category. Included within this title are a number of fish and wildlife mitigation projects which will result in permanent protection of valuable fish and wildlife habitat.

Title VI authorizes the corps to undertake a number of studies, allowing the corps to apply its engineering expertise to finding solutions to water resources problems.

Title VII authorizes numerous modifications to existing Corps of Engineers projects to reflect changed circumstances.

Title VIII establishes a new program of Federal assistance, in the form of loans to local interests, for the rehabilitation, expansion and improvement of water supply facilities. This title represents an important new mission for the Army corps, allowing them to apply their expertise in the water resources development arena in order to provide adequate drinking water for our citizens. A total of \$800 million per year would be made available to the corps for 80 percent loans to be repaid over 50 years.

Title IX establishes new official names for a number of corps water resources project on project features.

Title X would deauthorize over 300 corps projects which have been reviewed and found to be no longer necessary. This represents approximately 30 percent of the current inventory of corps projects and a savings of approximately \$18 billion in current dollars.

Title XI contains a number of general provisions relating to the full range of corps programs and procedures. Included are requirements for improving the corps planning process, creation of a \$35 million per year environmental protection and mitigation fund, implementation of recommendations contained in the upper Mississippi master plan, and an expanded program of inventory and repair of publicly owned dams. Title II also contains a provision calling for establishment of a Great Lakes commodities board to develop strategies to improve the commercial capacity of the Great Lakes region.

One of the cornerstones of the bill is the creation of a new water resources policy board in title XII to coordinate water project activities of the Federal agencies, including the development of principles and standards to be used in Federal water project evaluation, planning and construction. The title also authorizes a program of 50 percent matching grants to the States for water planning and conservation activities to be funded at a level of \$20 million per year through fiscal year 1990.

Titles XIII and XIV provide new authority and direction to the Corps of Engineers with respect to certain bridges over navigable waters and with respect to certain fish and wildlife mitigation reports.

The last title in the bill, title XV, contains the tax-related provisions in the bill and was developed by the Ways and Means Committee. The title includes provisions for a new special tax on port use which was included by the Committee on Public Works and Transportation as part of our markup of H.R. 6. The new tax is intended to recover a portion of the Federal cost of operating and maintaining our Nation's port system. The tax is to be levied on cargo loaded or unloaded at ports which have been constructed, operated or maintained with Federal assistance. The new tax is to be collected from the shipper rather than carrier of the cargo and will be charged on an ad valorem basis at a rate of

4 cents per \$100 worth of cargo. Money collected is to be deposited in the Port Infrastructure Development and Improvement Trust Fund which is also provided for in title XV. The trust fund is to consist of the tax on port use and general revenue. Up to \$1 billion per year would be authorized to pay for Federal construction, operations and maintenance costs of our ports and harbors. Title XV also contains provisions to extend the existing inland waterways fuel tax to the newly opened Tennessee-Tombigbee Waterway.

Mr. Chairman, this is a comprehensive and well developed bill. It embodies not only years of effort by the Committee on Public Works and Transportation, but also suggestions and improvements made by the Committees on Ways and Means, Interior and Insular Affairs, and Merchant Marine and Fisheries. Furthermore, it is not just a water project bill. It provides for new directions in the way water resource development programs of the Federal Government are planned, how they are to be undertaken, and most importantly, how they are to be financed.

I am convinced that passage of this bill will not just be an idle gesture, as it unfortunately was last year. The administration has sent clear signals that they want to get moving with an expanded program for Federal water resources development. Furthermore, they have indicated the cost sharing requirements that they consider to be acceptable for such a program. Those requirements are embodied in a bill which has been reported out by the committee of principal jurisdiction in the Senate and hopefully will be sent to the floor in the other body in the next few weeks. While our bill is still some distance from the Senate bill we are close in some of the most important aspects of the two bills. I am absolutely convinced that if the Senate can act quickly, we can resolve what differences remain in conference.

Mr. Chairman, let me again commend all who have helped to develop this bill. This includes not only the leadership and members of our committee, but the other committees which have helped to develop this bill and all of the Members who have come to us with their suggestions.

Mr. Chairman, this is a good bill. It is a bill that can revitalize our water resources infrastructure and improve our commercial capabilities. It will provide jobs and protect environmental values. I urge all of my colleagues in joining me in supporting this long awaited, carefully crafted and much needed legislation.

Mr. Chairman, I yield my remaining time to the gentleman from Wisconsin [Mr. GUNDERSON].

The CHAIRMAN. The gentleman from Wisconsin [Mr. GUNDERSON] is recognized for 2 minutes.

Mr. GUNDERSON. Mr. Chairman, let me begin by saying that there has been a litany of thanks and praise to the chairman and the ranking member of this committee and their staff. That is justified. Anyone who looks at the work that they have put into this bill

over the last few years would understand that that praise is deserved.

But I would like to get up and call attention of my colleagues to the fact that this is a very special bill in particular for the people of the upper Mississippi River basin. When this legislation becomes law, we will make the commitment that the upper Mississippi River is not only a multiuse concept in terms of recreation, in terms of transportation and its environmental resources, but we are going to carry through on that pledge, and we are going to make sure that we do not only use the Federal Government's resources to improve navigation, which is certainly an important element, but likewise, we also make a similar commitment to improve the environmental habitat resource area, the recreational areas of that river as well.

In essence, what this bill, H.R. 6, includes for the Mississippi River is an implementation of the master plan. The master plan is that comprehensive study for the multiple, balanced development of the Mississippi River in the future. Over the next 10 years, it sets out a long, detailed, but very justified, balanced process in terms of providing the necessary tools to the Federal Government, to the States, to the associations, to do what is necessary to build on this river, improve the river and bring to the people of the upper Mississippi River basin, which is Minnesota, Iowa, Illinois, and Missouri, the type of balance, the type of river we have today and we want to preserve for the future.

Mr. STANGELAND. Mr. Chairman, is there any time remaining?

The CHAIRMAN. The gentleman from Minnesota [Mr. STANGELAND] has 30 seconds remaining.

Mr. STANGELAND. Mr. Chairman, let me in conclusion just say that it has been alluded to by my distinguished chairman, but I want to acknowledge the extensive work and the long hours and effort of staff on this piece of legislation, weekends, Sundays, 18 and 20 hours a day, and just acknowledge that the staff on both sides, the Democrat and Republican staff, have done a monumental job in assisting us in bringing this to the floor.

I wanted to acknowledge their efforts, and I yield back the balance of my time.

Mr. HOWARD. Mr. Chairman, I yield 2 minutes to a member of our committee, the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, I rise in strong support of H.R. 6 and want to take this opportunity to commend the full committee chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD]; the Subcommittee on Water Resources chairman, the gentleman from New Jersey

[Mr. ROE] for his diligent and persistent efforts in regard to this legislation; and the ranking minority members, the gentleman from Kentucky [Mr. SNYDER] and the gentleman from Minnesota [Mr. STANGELAND] for their valuable support in bringing this legislation to the floor today.

There is general acknowledgment of the need to update our Nation's water policy and to provide a comprehensive plan for the development of our water resources. We are doing that in this bill today which will enable our country to begin utilizing the water resources that we have effectively and efficiently.

H.R. 6 contains many, many valuable projects for people across this land. One particular area I want to pay attention to is the inland waterway project such as the Gallipolis locks and dams on the Ohio River, an outdated lock and dam project that is in critical need of improvement, and in order to move this Nation's most valuable energy resource: coal.

Also contained in this legislation is rehabilitation and replacement of Winfield Locks and Dam on the Kanawha River in West Virginia, the Monongahela River in Pennsylvania and West Virginia which have locks and dams 7 and 8 located there.

Also included in this legislation is dredging of many of our Nation's ocean ports which have long been in need of deeper channels. This legislation authorizes the construction of six deep draft projects, including one in Norfolk Harbor which is extremely important to the efficient and economical transportation of U.S. coal.

I am confident that these port-related provisions will enable the United States to become more competitive in the world market with respect to commodities such as coal.

Mr. Chairman, in addition to these port-dredging projects and our inland waterway improvement projects, there is also in this bill authorization for construction of a flood control project down in Logan County, WV, which is experiencing flooding right today.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. RAHALL. I will be glad to yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, I rise in strong support of this measure.

Mr. RAHALL. Mr. Chairman, I conclude my comments by again commending those who have been so persistent in bringing this legislation to the floor, and today as we experience flooding in parts of the Eastern United States, including in West Virginia, there cannot be a more appropriate time for Congress to show that we are indeed sensitive to these needs, and we are indeed responding.

Mr. Chairman, as a member of the Committee on Public Works and

Transportation, I am pleased to be associated with the legislation we are considering today, H.R. 6, as reported, the Water Resources Conservation, Development and Infrastructure Improvement and Rehabilitation Act of 1985, which seeks to authorize critical projects dealing with port development, inland waterway lock and dam rehabilitation, flood control projects and municipal water supply systems.

No major authorization bill for new U.S. Army Corps of Engineers construction has been enacted since 1970, with legislation passed in 1974 and 1976 primarily authorizing advanced engineering and design of projects rather than new construction. The House last year twice passed a Public Works omnibus water projects bill but administration opposition and continued disagreement by the other body over cost sharing criteria prevented enactment of the legislation.

There is general acknowledgment of the need to update our Nation's water policy and to provide a comprehensive plan for the development of our water resources—H.R. 6 provides a plan which will enable the country to begin utilizing its water resources effectively and efficiently.

A crisis is developing with respect to this Nation's inland navigation infrastructure, particularly its lock and dam facilities. While most are in good condition, an increasing number are obsolete by modern standards or in an advanced state of deterioration. Many critical locks and dams, constructed over 50 years ago, are no longer adequate to accommodate larger barge tows and increased traffic. This has presented hazardous situations, time delay and increased costs. Our Nation requires a long-term modernization program that facilitates authorization and funding of critically deficient projects.

H.R. 6 contains only those inland waterway projects in vital need of replacement or rehabilitation, including the Winfield Locks and Dam on the Kanawha River in West Virginia. As the sponsor of this project in the committee, I am pleased that its improvement will provide for more efficient movement of steam and metallurgical coal from southern West Virginia to markets throughout the Nation.

Another project is the rehabilitation and construction of new locks at Gallipolis, on the Ohio River about 30 miles upstream from Huntington, WV. This is the premier locks and dam project in need of improvement. Also provided for by the bill are projects at locks and dams Nos. 7 and 8 on the Monongahela River in Pennsylvania and West Virginia.

H.R. 6 also seeks to improve many of our ocean ports which have long been in need of deeper channels. Title I authorizes the construction of six deep draft navigation projects, including

one at Norfolk Harbor which is extremely important to the efficient and economical exportation of U.S. coal. Cost-sharing would be required for 50 percent of the incremental construction and operation and maintenance costs associated with channel depths greater than 45 feet. The bill allows non-Federal interests to collect port or harbor dues from vessels, but only with respect to vessels which receive a direct benefit from the new construction.

I am confident that these port-related provisions will enable the United States to become more competitive in the world market with respect to commodities such as coal.

Title III of the bill authorizes the construction of flood control projects including one which I sponsored in subcommittee located along the Island Creek basin in Logan County, WV. Flooding in the Island Creek basin area has resulted in significant financial and personal loss over many years. Average annual damages in the basin are estimated to be \$11.8 million. The area has experienced significant flooding as recently as May 1984, when approximately \$4 million in damages occurred. The people of Logan County are deserving of the relief from persistent, destructive flooding which this project will provide.

Also included in H.R. 6 is approval for a low-interest Federal loan for a water supply improvement project in Huntington, WV. The bill, under title VIII, creates a program to combat the deterioration of the Nation's water supply infrastructure. In order to facilitate improvement, public and private water supply systems must have access to reasonable interest rates for the long-term capital needed for rehabilitation, expansion and improvement of water supply systems.

Title VIII establishes authority in the Secretary of the Army, acting through the Chief of Engineers, to make low-interest loans for water supply rehabilitation and conservation. Public and private water supply systems may apply for these loans if they meet certain requirements. However, a number of specific water supply projects which the committee has reviewed are listed in the legislation and they would automatically receive loan approval. One of these is a project for intake, pumping and distribution facilities for Huntington, WV. The estimated cost of the project is \$2.4 million.

Water service for Huntington is provided by the investor-owned Huntington Water Corp. which has served the city since 1887. The company is seeking to improve its raw intake and pumping facilities at its 24th Street treatment plant. The existing raw water intake facility consists of an intake structure on the bank of the Ohio River and a low service pump

building located near a flood wall. This intake structure skims water from the surface of the river with the result that great quantities of debris and industrial waste enter the treatment facility. Constructed in the early 1900's, deterioration is causing inefficiencies in the system. The improvement project would replace the existing raw intake and low service pump station with a single intake structure designed to draw water from a minimum depth of 15 feet below the river surface.

Mr. Chairman, I would like to reiterate my strong support for H.R. 6 and to encourage my colleagues to lend their support to this much needed water projects legislation.

Mr. HOWARD. Mr. Chairman, I understand I have 1 minute remaining, and I yield myself that time just to once again thank those who participated in the development of this bill to the greatest degree, certainly the gentleman from New Jersey [Mr. ROE], the gentleman from Kentucky [Mr. SNYDER], and the gentleman from Minnesota [Mr. STANGELAND] and the other members of our committee on both sides of the aisle and staff.

Also, I wish to thank the other committees that have a portion of this bill, the Committee on Ways and Means, the Committee on Interior and Insular Affairs, the Committee on Merchant Marine and Fisheries. It has been a long time coming, so it is very, very important to our Nation.

I look forward to a cooperative effort by all on tomorrow so that before the Sun goes down tomorrow, we will have this bill passed through the House of Representatives.

Mr. FIELDS. Mr. Chairman, I rise to express my strong and enthusiastic support of H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985.

This bill, which is similar to a proposal passed overwhelmingly by the House twice last year, is the product of nearly 5 years of labor by the House Public Works and Transportation Committee. In particular, I would like to acknowledge the outstanding leadership of Chairman JAMES HOWARD, Chairman ROBERT ROE, Congressman GENE SNYDER, and Congressman ARLAN STANGELAND who, along with Congressman GLENN ANDERSON, are the authors of this excellent piece of legislation.

I compliment these distinguished gentlemen for their tireless efforts to develop a rational and comprehensive water policy for this Nation.

It has been 11 years since the Congress last enacted a water resources authorization bill and nearly 50 years since the last major revision of our Federal water policy laws.

During that time, we have witnessed the serious decline of our port system and the tragic suffering by individuals in hundreds

of communities who have been subjected to the ravages of persistent flooding.

Several of these communities are located in my congressional district and I am extremely pleased that this omnibus water resources development bill includes language to eliminate the flooding problems caused by the Upper White Oak Bayou.

Mr. Chairman, the people who live along the Upper White Oak Bayou in central and northwest Houston have made every effort at the local level to protect their homes and businesses from flooding. I believe the Federal Government must now assist these courageous Americans by providing this badly needed flood protection.

The flood control project authorized by H.R. 6 has been carefully studied by both the Army Corps of Engineers and the House Public Works and Transportation Committee.

The Upper White Oak Bayou flood control plan has been enthusiastically supported by all interested parties and has been given high nationwide priority by the Army Corps of Engineers. Upon completion, this project will provide \$1.50 worth of flood protection for every \$1 of Federal cost.

While I cannot speak for the dozens of other flood control projects contained in H.R. 6, the Federal investment called for in the Upper White Oak Bayou project is clearly justified. In evaluating this or any other project, one must weigh the benefits derived to our Nation from vital communities with thriving industry versus those which have suffered regional decay caused by persistent flooding which generates unemployment, saps our tax base, and impedes economic growth.

In fact, the Federal Government will end up saving millions of dollars by providing this flood protection rather than continue the endless cycle of rebuilding communities with Federal flood insurance money. In this way, we will not only provide these communities with long overdue flood relief but will simultaneously save precious Federal resources.

At the same time, it's important to note that this project will create new jobs. According to the Army Corps of Engineers, the implementation of this flood plan will provide jobs to more than 2,000 Houstonians.

Mr. Chairman, the Upper White Oak Bayou project is sound. It is an investment in our Nation's future. It will save taxpayer money. It will create jobs. And, it will provide flood relief to thousands of citizens who must now suffer from the personal and economic hardships of persistent flooding.

Mr. Chairman, in addition to the Upper White Oak Bayou project, I am extremely grateful that the Public Works and Transportation Committee has included the provisions of my bill to improve the operation and efficiency of the Houston Ship Channel.

Since coming to Congress in 1981, I've had the honor of representing this vital waterway which has grown to become one of our Nation's largest ports.

The Houston Ship Channel, which is a 40-foot-depth waterway, was officially opened to oceangoing vessels by President Woodrow Wilson on November 10, 1914.

Since that time, this waterway has acted as a magnet to dozens of companies who have invested more than \$15 billion in plants along both sides of the ship channel, which has become known as the "Fabulous Fifty Miles."

Today, the Houston Ship Channel is home for one of the largest petrochemical complexes in the entire world.

It has been estimated that \$1 of every \$3 in the Houston economy can be attributed to the ship channel. Directly and indirectly, the Port of Houston provides jobs and livelihoods for thousands of Houstonians.

In the State of Texas, the port provides positive economic benefits to some 160,000 of our citizens and over \$3 billion in tax revenues.

The purpose of the three provisions in H.R. 6 is to require that the Army Corps of Engineers maintains a 40-foot water level at the Barbours Cut Terminal, at the Bayport Ship Channel, and at the Greens Bayou tributary.

With the level of cargo increasing significantly over the years, the Port of Houston Authority has spent a considerable amount of money to dredge these tributaries in order to achieve a universal 40-foot water depth in the Houston Ship Channel.

Prior to this dredging, the water level of these three tributaries ranged from 12 to 36 feet.

Mr. Chairman, what the Port of Houston Authority is seeking is not any type of Federal reimbursement for its construction and dredging costs but simply that the Corps of Engineers maintain a 40-foot water depth at these three tributaries.

This maintenance responsibility is one that the corps has assumed throughout its history and it is fully consistent with its congressional mandate.

Mr. Chairman, I am pleased that these three provisions are included within this legislation and that the Corps of Engineers will in the future keep these valuable tributaries free of silt and debris.

The final section of my bill incorporated within H.R. 6 would allow the port authority to receive Federal reimbursement for the raising of a railroad bridge which the Coast Guard ruled was an obstruction to navigation over the Greens Bayou area.

While actual modifications have been completed, the port authority has made a strong and legitimate case for partial reimbursement for these repairs which became necessary because of severe land subsidence.

In the Houston metropolitan area, land subsidence has become a very serious problem and I do not believe the port authority should be penalized for this natural and uncontrolled occurrence due to Congress' inability to act in a timely fashion.

It is important to note that, with the passage of this provision, the port authority will simply be given the authorization or opportunity to seek partial redress for the

costs of their repairs and not actually receive reimbursement.

Mr. Chairman, in summary, I am extremely thankful to the support of my colleagues on the House Public Works and Transportation Committee, and I am convinced that, once enacted, H.R. 6 will go a long way toward solving many of the water problems facing this Nation.

I urge my colleagues to overwhelmingly approve this important legislation and I again compliment the authors of this bill for their tremendous contribution to the good of our society.

Mr. TRAFICANT. Mr. Speaker, I rise in very strong support of this legislation before us today, H.R. 3670, Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act.

Let me first commend the chairman of the Water Resources Subcommittee of Public Works and Transportation, my good friend, BOB ROE, as well as the ranking minority member, ARLAN STANGELAND, for their leadership in bringing this legislation forward. America has waited decades for this legislation that will significantly shape the water policy of this Nation for years to come.

Not only does H.R. 3670 rightfully authorize a number of water resource projects and studies for potential water projects, it also provides for assistance to communities for construction, repair, and rehabilitation of water supply systems. Many of our small communities, such as Girard, Struthers, and Hubbard, in my congressional district of Ohio, are in desperate need of and repair for water and sewer systems. For the benefit of all citizens, I urge my colleagues to favorably approve H.R. 3670.

Mrs. LONG. Mr. Chairman, I rise in support of H.R. 3670, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985. This bill authorizes funding for more than 300 Federal water projects, including port development, inland waterways, flood control projects, beach erosion, municipal water supply systems, and other water resources systems.

Funding for new projects slowed tremendously during the 1970's. Nine years have passed since this Congress last approved an omnibus water projects authorization bill. The neglect of badly needed energy and water development projects has resulted in the deterioration of the Nation's water resources infrastructure. This deterioration now poses a growing obstacle to sustained national economic recovery.

Mr. Chairman, this legislation is essential to my congressional district. The bill authorizes \$200,000,000 for flood control in the Atchafalaya Basin. The basin is vitally important to Louisiana as a relief valve for flooding by the Mississippi River in south Louisiana. Residents in this basin constantly face the threat of flooding of their homes and farmland. This bill provides much-needed security to property owners in the region.

The bill also authorizes \$10,500,000 for mitigation of fish and wildlife losses at the Red River Waterway. These funds will help to repair the damage to the environment which occurs during project construction.

The Atchafalaya Basin and the Red River Waterway are just two of the projects in this bill which would greatly benefit Louisiana. In addition, the bill authorizes the construction of a deep draft port in the Mississippi River Ship Channel, further facilitating the free movement of commerce through Louisiana.

Finally, I want to commend the chairman of the Subcommittee on Water Resources, the gentleman from New Jersey [Mr. ROE] and the subcommittee's ranking minority member, the gentleman from Minnesota [Mr. STANGELAND], for their hard work on this fine piece of legislation. In addition the chairman of the Committee on Public Works, the gentleman from New Jersey [Mr. HOWARD], and the ranking minority member of the full committee, the gentleman from Kentucky [Mr. SNYDER] deserve the thanks and appreciation of this House. These four individuals and their staffs worked countless hours to develop this landmark legislation.

Mr. Chairman, H.R. 3670 will provide employment to millions of Americans. I strongly urge my colleagues to support it.

Mr. MILLER of Ohio, Mr. Chairman, I rise in support of this important legislation and, at the same time, I want to commend the leadership of the House Public Works and Transportation Committee for responding to the water resources needs of this Nation. Consideration of this bill marks the third time in the past 2 years, I believe, that the House has acted on legislation authorizing projects vital to the Nation's inland waterways, our ports, erosion, and flood control.

A comprehensive, omnibus water development bill has not been enacted into law since 1970—15 long years. Over the past several years, we've seen a variety of patchwork legislative procedures and proposals that address water resource problems by bits and pieces. While such an approach has had its benefits, I submit that such an approach is not the way to legislate something as important as the fate and future of America's water resources policy.

There are three key elements in this bill before us—H.R. 6—that I want to underscore. First, the measure includes the authorization of Gallipolis—the most critical navigational project on the entire reach of the Ohio River. The bill calls for the construction of a new 1,200-foot locking channel at Gallipolis, and it also allows for the rehabilitation of the existing dam at the same site. Those who recognize the importance of cost-effective, safe and certain river transportation will agree that Gallipolis is—very simply—a navigational minefield. Opened in 1937, the outdated, overworked, hazardous facility sits on river bend and forces massive traffic delays up and down the Ohio River that add up to costly fees and consumer costs. The present Gallipolis compound has the highest accident rate on the Ohio River and it is the

only locking complex from the Pennsylvania border to the Gulf of Mexico with a 600-foot main chamber. It demands the attention of all those concerned about the economic development and welfare of the Ohio Valley. The bill before us states that a new Gallipolis will be built with up to one-third of the funding coming from the Inland Waterways Trust Fund.

And that's my second point for supporting this particular measure, the trust fund was established to respond to the needs of inland water traffic. It's simply a fair case of the barge industry contributing to the movement of their vessels. The fund is currently being supported by a 10-cents-per-gallon tax and I would support an increase in that fuel tax if it led to the benefits expected of the fund in the first place. Namely, getting construction underway. The fund has assembled nearly \$200 million and, to the best of my knowledge, not one cent has been appropriated from the fund for one project on any eligible river, anywhere. Congress must act first. That's why we are here today and that's what we must do. The proposed new Gallipolis, under study for over a decade, has a benefit-cost ratio of 12 to 1. Conversely, the costs—environmentally, economically, and navigationally—for ignoring our responsibility to Gallipolis would be monumental.

Nearly 41 million tons of coal, coke, agricultural products, and chemicals are shuffled through Gallipolis annually. Keep in mind: the complex is already exhausted. The projected bulk cargo growth by the year 1990 is 65 million tons. Gallipolis is being pushed to its limits and it has only been by the technical expertise and engineering ingenuity of the U.S. Army Corps of Engineers office in Huntington, WV, that the old channel remains operational and the locks function properly despite the odds against their doing so.

There is a third element of this particular bill that appeals to me and should be the priority aspect of the legislation for any budget-conscious Member in this House: the bill deauthorizes—takes out of previously planned construction—310 projects at an estimated completion cost of over \$11 billion. How often do we have the opportunity in this Chamber to vote for a bill which, in essence, decommissions spending of that magnitude?

The bill offers us the best of what we want and what this Nation needs: a chance to press forth with critical water resources projects and programs and, at the very same time, a chance to enact responsible cost-sharing while saving \$11 billion bucks.

The measure has my support, in full measure.

Mr. LUNDINE, Mr. Chairman, I rise in strong support of H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985. I commend the House Public Works and Transportation Committee, and especially the Water Resources Subcommittee for putting together this piece of legislation which will directly benefit so many of our communities over the next decade.

I would like to remind my colleagues that a President has not signed a water resources development bill into law since 1976. I am confident that this bill will become law because it includes the increase in the non-Federal share of the cost of new Army Corps of Engineers flood control and navigation project which the administration insisted upon. Furthermore, the bill is reasonable in terms of the cost of the projects it authorizes, and will provide for the construction and upkeep of vital water projects across the Nation.

I am especially pleased that this bill authorizes funds for the city of Dunkirk, NY, southwest of Buffalo on the shores of Lake Erie, which is undertaking a major harbor revitalization plan. The Dunkirk Harborfront Development Program is expected to create over 375 new permanent jobs, increase tax and other revenues to the city, and in the long run, attract needed economic development to this severely depressed region of the State.

One of the most important aspects of this development program, is the city's plan to build a 500-boat marina. Before this marina can be constructed by private enterprise, however, the city must dredge the area at an estimated cost of \$2.3 million. Present waterdepth in that locale runs from 1 to 3 feet and must be dredged at least 10 feet. The funding authorized in this bill will cover the costs that the city incurs for this needed dredging.

The city of Dunkirk's efforts to improve its economy through the development of its harbor are to be commended and are worthy of our support. I urge my colleagues to join me in supporting this effort, and similar projects all over the country by voting for this long-awaited water resource development legislation. Once again, I commend the chairman and his committee for their work on this legislation and urge its passage.

Mr. HOWARD, Mr. Chairman, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. WEAVER] having assumed the chair, Mr. BOUCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6) to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure, had come to no resolution thereon.

□ 1530

GENERAL LEAVE

Mr. HOWARD, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on

H.R. 6, the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CHADRON STATE PARK

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute, and to revise and extend her remarks, and include extraneous matter.)

Mrs. SMITH of Nebraska. Mr. Speaker, I rise today to introduce legislation to transfer approximately 160 acres of Federal land within the Nebraska National Forest to the State of Nebraska. This land will be used by the Nebraska Game and Parks Commission to add camping facilities and nature trails to the Chadron State Park.

Although more than 200,000 people visit the Chadron State Park each year, the park has no camping facilities and no land suitable for campground development. Park visitors must camp near the park entrance.

Transferring this Federal land to the State of Nebraska will greatly enhance public use of the park. We simply have no other alternative for developing camping facilities at the park.

All improvements to the land—camping facilities, hiking trails, and horseback trails—would be provided by the State of Nebraska.

The bill protects the Federal Government's rights to oil, gas, and other subsurface interests. In addition, the bill provides that if the Nebraska Game and Parks Commission does not use the land as a part of Chadron State Park, the land will revert in the Federal Government.

I ask for the support of my colleagues on this bill, and I submit the bill for printing in the RECORD, as follows:

H.R. 3686

A bill to direct the Secretary of Agriculture to convey, without consideration, to the State of Nebraska certain land to be used for the purposes of expanding the Chadron State Park, Nebraska

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF LAND TO NEBRASKA GAME AND PARKS COMMISSION.

(a) CONVEYANCE.—Not later than the 180 days after the date of the enactment of this Act and subject to the provisions of subsection (b), the Secretary of Agriculture shall convey, without consideration, to the State of Nebraska all right, title, and interest of the United States in and to the real property described in subsection (c), to be used by the Nebraska Game and Parks Commission as part of the Chadron State Park, Nebraska.

(b) LIMITATIONS ON CONVEYANCE.—(1) The Secretary of Agriculture shall reserve for the United States any interest of the United States in the subsurface estate of the real

property described in subsection (c), including oil and gas rights.

(2) Title to the real property conveyed under subsection (a) shall revert in the United States upon failure of the Nebraska Game and Parks Commission to use such property as part of the Chadron State Park, Nebraska.

(c) LAND DESCRIPTION.—The real property referred to in subsection (a) consists of approximately 160 acres within the Nebraska National Forest, more particularly described as the east half of the southwest quarter, the west half of the southeast quarter, and that part of the southeast quarter of the southeast quarter lying west of State Highway 385, of Section 25, Township 32 North, Range 49 West, 5th Principle Meridian, Dawes County, Nebraska.

CONGRESS SHOULD REVIEW EFFECTS OF AT&T DIVESTITURE BEFORE ALLOWING BYPASS

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, with the break-up of the AT&T telephone system, many of us here in the Congress correctly anticipated the confusion and increased expense that many of our constituents would face in the newly created and competitive telecommunications environment.

Unfortunately, the Federal Communications Commission is adding to the confusion and increased expense. Last week the Commission approved a rate tariff proposal from the American Telephone and Telegraph Co. that would allow the telephone system's largest users to bypass local Bell operating companies, thus shifting the cost of local service increasingly to residential and small business users.

In my home State of Tennessee, the local telephone operating company estimates that bypass could increase cost of residential telephone service by \$4 a month and the cost of business service by \$9 a month. Bypass puts at risk in Tennessee more than \$83.6 million collected in connect fees from long distance telephone companies. Of the five States in the local operating company's service area, Tennessee is the most vulnerable. Thirty-two of the 50 largest long-distance users are located in Tennessee. Yet no area of the country is immune from the effect of bypass and, before bypass proceeds further, we must understand the effects of bypass on the cost and quality of residential service.

Bypass of the local Bell operating companies was an issue anticipated with the divestiture of AT&T. In fact, the House passed legislation in the 98th Congress that proposed a cost-sharing formula among all users of the telephone system, even among those who bypassed local Bell operating companies. Unfortunately, that measure failed of passage in the other

body. Nonetheless, the need to evaluate the consequence of bypass has never been greater than it is today.

No one disagrees with the objective of ensuring affordable residential and business telephone service. That objective, however, is jeopardized with the haphazard decisions that the Federal Communications Commission has made or, as indicated in recent news reports on the AT&T rate filing, is planning to make.

As such, I am introducing legislation that would postpone the FCC's decision on bypass for 2 years until Congress has had the opportunity to review the consequences of divestiture and, in particular, the factors encouraging bypass of the local Bell operating companies.

Affordable telephone service must continue to be our goal. Clearly, competition following divestiture has lowered the cost of long distance telephone service. Unfortunately, the consequence of divestiture on local service has only increased costs. Congress must be afforded time to evaluate these mixed results.

THE 20TH ANNIVERSARY OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES

(Mr. YATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YATES. Mr. Speaker, 1985 marks the 20th anniversary of the establishment of the National Endowment for the Humanities. While we are at this milestone, it is appropriate to pause to celebrate the achievements of the Endowment and to reassert our commitment to its promotion of progress and scholarship in the Humanities. As a symbol of our support for the Endowment, it is appropriate to establish the week of February 9-15, 1986, as National Humanities Week.

In the National Foundation on the Arts and the Humanities Act of 1965, the Congress found, in its Declaration of Purpose, that "support of national progress and scholarship in the humanities * * * is * * * an appropriate matter of concern to the Federal Government"; that "democracy demands wisdom and vision in its citizens and * * * must therefore * * * support a form of education designed to make men masters of their technology * * *"; that "it is necessary and appropriate for the Federal Government to complement, assist, and add to programs for the advancement of the humanities * * * by local, State, and regional, and private agencies and their organizations"; that "the study of the humanities requires constant dedication and devotion and that * * * it is necessary and appropriate for the Federal Government to help create and sustain not only a climate of encouraging freedom of thought, imagi-

nation, and inquiry, but also the material conditions facilitating the release of this creative talent"; and that "the world leadership which has come to the United States * * * must be solidly founded upon worldwide respect and admiration for the Nation's high qualities as leader in the realm of the ideas and of the spirit."

Congress expected much from the Endowment and its accomplishments have matched these expectations. The Endowment has been creative in carrying out its mission and it has been stimulative.

Through the concept and mechanism of the Challenge Grants, the Endowment has generated substantial non-Federal support for the humanities. In return for \$180,000,000 in Federal Challenge funds invested in them between 1977, when the program began, and 1985, Challenge Grant recipients will have raised about \$542,000,000 in new or increased giving from non-Federal sources. This exceeds the minimal amount required by the 3:1 matching provision of the grants.

The National Endowment for the Humanities has established new programs as needs have been identified. In 1969, a program was established to assist in the design and implementation of quality humanities programs for the out-of-school public. One example is the "Let's Talk About It: Reading and Discussion Programs in America's Libraries". "Let's Talk About It" is a vital nationwide project which brings together book lovers and scholars to explore themes of contemporary life and culture through a mix of classic and popular literature in some 300 American public libraries in 30 States. More than 1,500,000 will be involved in the program over 3 years.

A democratic society requires citizens who are capable of making disciplined and discriminating judgments. The study of the humanities contributes to the ability to make reasoned decisions—to criticize and interpret the acts, words, and artifacts of human culture. To meet these needs in 1971, the State programs were established to ensure that a broad variety of humanities programs reached the citizens in each State. This in turn has stimulated each of the States to develop their own State humanities councils.

More recently, the Endowment has developed programs to strengthen humanities instruction at the precollegiate level. The most notable example of this effort is the highly successful summer seminars for secondary school teachers. The Endowment has also been in the forefront of the effort to celebrate the bicentennial of the Constitution. Over 160 grants have been awarded to encourage scholarly interest in and public reflection on the principles and foundations of our constitutional government.

The Endowment is to be commended for its leadership, its creativity, its responsiveness to changing needs, and for its ability to generate private interest and financial support. We applaud its ability to bring out the best in our culture and history.

We now celebrate 20 years of sustained effort by the Endowment and we must

commit ourselves to sustain the traditions begun by this important Federal agency. Mr. Speaker, recognizing February 9-15, 1986, as National Humanities Week is the appropriate way to begin.

DOD CONFERENCE REPORT— RAY TEXTILE AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, this year I offered an amendment to the Department of Defense authorization bill which directs the Secretary of Defense to report to the Congress each year on the state of the textile and apparel industrial base in this country. I was pleased that this amendment was accepted by the conferees, and I would like to take a few moments to tell you why I believe this amendment is important.

It is jokingly said that "we cannot have our soldiers fighting in Japanese uniforms and sleeping in Chinese tents," Mr. Speaker, but I think there is a nugget of truth in this statement. If our Nation is going to be assured of military readiness, we have to know that our textile industrial base can mobilize to meet our needs—from parachutes to uniforms, from chemical warfare garb to coverings and casings.

This report to be prepared by the Department of Defense will address these concerns. The report prepared by the Department of Defense will provide crucial information for all Representatives to consider when they are making their decisions or their votes on readiness issues.

My amendment was drafted loosely to allow for the broadest amount of information to be included. Research into all aspects of the textile and apparel industrial base will be conducted, including the manufacturers' ability to meet initial mobilization requirements with domestic materials, to obtain necessary machinery for production through domestic sources, and to answer specific, specialized orders of the various services for strategic and tactical operations.

I feel certain that the report which will be produced because of this amendment will be a valued tool to be used by all Members in their consideration of our Nation's military readiness.

THE ABSURDITY OF GRAMM- RUDMAN PROCESS: SEQUESTERING FUNDS FOR REVENUE RAISING AGENCIES COSTS MUCH MORE THAN IT SAVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, in the conference committee on Gramm-Rudman we have been trying to turn the sow's ear of sequestering into a silk purse. We have washed the mud off, we have trimmed the hog hairs, but it still smells and looks like a pig's ear.

It is full of illogicals.

If we fail to reach our deficit reduction goal and sequestering comes into force, revenue raising agencies like the IRS and Customs would find their budgets cut.

It is a proven fact that cutting those agencies cuts revenues by much more than the amount saved in reducing the agencies.

The IRS returns \$20 for every one spent on compliance programs. The Collections Division returns \$25 for every dollar spent on it. Customs applies its manpower to programs which return \$27 to \$1.

Therefore, sequestering a dollar from either agency costs \$20 to \$27 in revenues.

That increases the deficit, which means we need to sequester even more in the future.

It is like a dog chasing its tail into exhaustion. In this case, the tail tastes like a pig's ear.

I supported the House passed version of Gramm-Rudman because it forces tougher congressional action on the deficits than does the original version. But as the above example shows, when it comes to sequestering we have a long, long ways to go before we have a mechanism that makes any sense at all.

BOB HUTTENHOFF, A GREAT NEWSPAPERMAN AND CITIZEN, RETIRES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I want to bring to the attention of my colleagues the retirement of Bob Huttenhoff, the publisher and president of the Salinas Californian. A reception will be held to honor Bob for his contributions to the community and for his achievements during a 40-year newspaper career on November 14. While I will not be able to be present due to my responsibilities here, I know my colleagues will want to join me in extending congratulations and best wishes to him on this most important occasion. Bob has been a great friend to me, and he has helped to make the Californian one of the finest newspapers in California and one of the finest newspapers serving a medium-sized city in the entire Nation. The key is that the Californian cares about the community it serves—and it shows.

Bob Huttenhoff was born in 1920 into a newspaper family and was a newspaper carrier through high school. He worked his way through the University of Kansas as a stereotype/pressman. After serving during World War II, he began his career in newspapers, working on six daily newspapers in the Midwest and southern California.

Bob joined the Salinas Californian as a display salesman in 1950. He was soon named retail advertising manager, and was then promoted to advertising director. In 1972, Bob became the publisher and president of the Californian. He retired as publisher last year, and he will retire as president on December 1 of this year.

In his years with the Californian, Bob led the newspaper from being a hot metal newspaper to electronic photo composition and complete computerization of the business office. He then converted the paper to direct lithography printing. Most recently, he has planned a major remodeling of the Californian building to house a new state-of-the-art 10-unit offset press to go on line in 1986.

In addition to his contributions to the Salinas community through his work at the Californian, Bob has been extremely active in a number of community activities. He has served as president of the Salinas Kiwanis, the Fort Ord Chapter Association of the U.S. Army, and Salinas Community Priorities, Inc. He has also been a board member of the Salinas Chamber of Commerce, the Jaycees, Sunrise Toastmasters, and Palma High School. Bob was a founding director and vice chairman of the Economic Development Corp. of Monterey County. In addition, he serves as a member of the Salinas Rotary, the Salinas Elks Lodge, Knights of Columbus, and the Commonwealth Club of San Francisco. He is also an advisory director of the California Rodeo.

In the newspaper industry, Bob has served as president of the California Newspaper Advertising Executives Association and has served on the board of the California Publishers Association.

Bob and his wife Patricia have been married since 1947. They have three children and one granddaughter.

Mr. Speaker, I am certain that Bob's family is proud of his distinguished career and looks forward to spending more time with him following his retirement. My colleagues and I congratulate him and wish him and his family the best of luck in the future.

THE BUDGET-CUTTING "ROBOT" LACKS SENSITIVITY TO HUMAN NEEDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BUSTAMANTE] is recognized for 5 minutes.

Mr. BUSTAMANTE. Mr. Speaker, in our attempt to balance the budget, we have created a budget-cutting robot which plods along on its deficit-reduction course without looking at what is in its way. It is incapable of following the road of social responsibility we have built over the years, incapable of expressing human sensitivity for the poor and needy it might be trodding on, incapable of setting the course for the future well-being of the country. It merely travels along the path we program it for, slashing as it goes.

The recent budget-cutting alternatives do not provide an ideal solution to the problem of balancing the budget. The alternative we select must respond to economic conditions and to the needs of children, the elderly, and the poor. The programs that serve those in need are already emaciated and cannot bear the load.

Over the past 5 years, programs which serve poor families and children have suffered more than \$10 billion a year in budget cuts. Programs such as low income food and nutrition programs, Medicaid, and Job Corps, have been seriously affected by the recent funding diet they have been subjected to.

When people are not provided with the resources they need, they take drastic measures. I am submitting a newspaper article given to me by one of my constituents. The article recounts the tale of a desperate man who could not provide proper care for his mentally retarded son. The man abandoned his 20-year-old son who was prone to violent attacks, rather than become violent himself. He had been trying for 2 years to place his son in a State school. This man had the compassion to save his son and himself.

The time to develop the mechanism to deal with the budget deficit is now. But creating a mechanical device which automatically imposes cuts without any kind of priority is not the answer.

The legislation before us is not a warm body to cuddle up to, but it is not the cold, hard robot either. The circumstances of political reality compel us to embrace it. It will, at least, follow the course of social responsibility, to look down the road of economic stability, and to watch out for the others traveling down that road.

SAN ANTONIO, TX, 78250

October 29, 1985.

HON. ALBERT G. BUSTAMANTE,
Longworth House Office Building,
Washington, DC.

DEAR REPRESENTATIVE BUSTAMANTE: I have written many letters to you on a variety of subjects, but this one really comes from the heart because it is based on my personal experience in raising my autistic son, Christopher.

The enclosed newspaper article appeared a few days ago and describes a terrible situation. What makes the situation terrible is not so much that the father felt he had to abandon the care of his retarded son, but that the State of Texas does not have the mental health resources to take proper care of its own citizens who are mentally afflicted. It is absolutely disgraceful that parents or a parent faced with the painful decision to institutionalize a child should be told to "take a number and wait 2-4 years" for an opening in a mental health facility.

I know what this man has gone through. I wish my son Chris had a limb missing rather than have mental retardation. It is all my wife and I together can do to keep him under control at home. His behavior is so erratic and self-destructive that recently my only other child, 6 year old Stephen, told me he wishes he had another brother. But this poor man, Mr. Clark, has suffered like no human being should have to.

I write you, Congressman, because frankly, I have no confidence that the State Legislature or the Governor will ever come to grips with the problem of housing the mentally ill and deficient in appropriate settings. Because to do the job right, it will take an increase in State funding, which means an increase in taxes, and Texans consistently have proven they would rather avoid collective responsibilities than raise their taxes, or anyone else's. I appeal to you because I am convinced it will take leader-

ship above the State level to make the majority of Texans see their responsibility towards persons like my boy Chris, and to others in our State who through no fault of their own cannot adequately care for themselves or their children.

To Governor White's credit, he is forcing Texas into the 20th Century academically with H.B. 72 and its no pass no play rule. I believe the same emphasis is needed in the area of caring for the mentally deficient and ill and for all others who cry out for help. Size and population will not by themselves make Texas a great state and a national leader among states. It takes a sense of social responsibility as well.

Yours truly,

PAUL S. KENDALL.

[From the San Antonio (TX) Light]

DAD LEAVES SON; HAS NO REGRETS

IRVING.—A man who abandoned his 20-year-old retarded son in front of the Fort Worth State School said he does not regret his decision.

William Clark said he had been caring for his severely retarded, violence-prone son without help for four years. Last week, he said he gave up after getting so mad he wanted to shoot his son.

Instead, he took him to the school. "I just got to the point where prison looked good to me—or the electric chair—compared to what I've been living through," Clark said.

Clark said his son has destroyed furniture and broken windows in his trailer home and attacked him.

A state school spokeswoman said John David Clark, who has a man's body but the mental capacity of a 3-year-old, qualifies for 24-hour care. Clark may not be forced to reclaim his son from the school, which has a two- to four-year waiting list.

"It's very stressful," said spokeswoman Barbara Edwards, adding no one was to blame.

She said the state school, operated by the Texas Mental Health Mental Retardation Department, will admit the younger Clark on an emergency basis until an investigation is completed.

The Department of Human Resources will conduct a routine check of the circumstances by which the man was abandoned at the facility on Wednesday, said Mel Hughes, school superintendent.

Edwards said the man was put on the school's waiting list and counselling and care was provided in May 1984.

William Clark said that was when he realized he was incapable of handling his son and "begged and pleaded" with school officials to take him in.

"He's been a problem for several years," said Clark, 55 who became the young man's sole caretaker about four years ago.

Clark and his wife divorced when the youth was 4. Although his ex-wife helped care for the couple's seven children, that arrangement collapsed four years ago when she became ill and eventually wound up in a nursing home.

THE CHAUFFEUR LIMITATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. HAMILTON] is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, a recent GAO report determined that, between Janu-

ary and June 1985, 79 administration officials were illegally transported in chauffeured Government motor vehicles between their residences and places of employment. Today, I am introducing a bill to end these abuses and curtail the number of authorized cars.

My bill, which is identical to one being introduced by Senator PROXMIRE, limits the total number of officials in each branch of the Federal Government entitled to chauffeured home-to-work transportation. The number of chauffeured officials in the executive branch would drop from 40 to 28; Congress' cars would be cut from 21 to 14; and the judiciary would keep its single authorized car.

Administration: The President, the Vice President, and the 13 Cabinet agency heads would continue to receive a chauffeured vehicle. The President could designate up to 13 additional executive branch employees for home-to-work service. Those employees would have to be listed in the President's annual budget.

Congress: The Speaker, the President pro tem, and the majority and minority leaders of the House and Senate would receive chauffeured service. The majority and minority whips of the House and Senate would continue to receive leased cars. Four other cars would be available during the day for official business only. No drivers would be provided. The majority and minority side of the House and Senate would each be assigned one car.

Judiciary: The Chief Justice would continue to receive chauffeured service.

Under the bill, any Federal official who uses or authorizes improper chauffeured service will be suspended without pay for at least 3 days and must reimburse the Government for all expenses. These penalties should curtail the widespread abuses we are now witnessing.

With Federal deficits exceeding \$200 billion, it is wrong to spend an estimated \$35,000 per car to shuttle Government officials between their homes and their offices. These chauffeur-driven cars are a luxury we cannot afford. I urge prompt and affirmative action on this bill.

A SALUTE TO THE STATUE OF LIBERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I rise to call to the attention of my colleagues the kickoff event for the "Centennial Year of Liberty" which took place on Monday evening, October 28, 1985, at the Kennedy Center. Lee A. Iacocca, chairman, the Statue of Liberty-Ellis Island Foundation, Inc., and chairman and chief executive officer, Chrysler Corp., graciously welcomed and personally thanked the many individuals and corporations who contributed toward restoring " * * * that beautiful lady."

The invited guests were privileged to attend the world premiere of "The Lady

Remembers," a work written and created by one of America's top composers, Richard Adler, who attempted to reflect the drama of the immigrants' experience. With the Detroit Symphony and vocalist Julia Migenes Johnson performing this new musical tribute, the Statue of Liberty's 99th birthday was celebrated, beginning what will be a year-long celebration.

Americans who are descendants of immigrant parents or grandparents share an important bond of friendship, and a very special feeling for that "lady" in New York. Lee Iacocca, who understands that kinship so well, delivered thoughtful remarks which I believe capture the true spirit of what it means to many of us to help restore and remember the Statue of Liberty and Ellis Island.

Mr. Iacocca's remarks, which I would like to share with my colleagues, follow:

Good evening to all of you.

I've been privileged for the past 3½ years to be involved in restoring two of our nation's most valuable treasures—the Statue of Liberty and Ellis Island. And it's been a labor of love, believe me.

A year from today, the Lady with the Torch will be rededicated on her hundredth birthday, and tonight we begin the celebration of her centennial year.

All this is possible because millions of Americans have contributed more than \$170 million so far to keep the torch lit. You've been invited tonight so we could thank you for your generous support.

And we're going to thank you with the world premiere of Richard Adler's "The Lady Remembers," performed by the Detroit Symphony Orchestra, under the direction of Gunter Herbig, with soloist Julia Migenes Johnson.

You know, the last couple of years lots of school kids have been sending me their nickels and dimes for the Lady. Some even send me their lunch money, or a few bucks from selling cupcakes or washing cars. And a man once dropped into my office and gave me a million dollars to help shine her up. (As he said—"Just a simple tribute to my immigrant mother.") It seems like everybody feels they owe the lady something.

And Richard Adler is one of those people. Richard Adler wasn't commissioned to write this piece. He wasn't asked to do it. He simply called one day and said: "I want to do it. I need to do it. Just let me do it."

So we let him do it.

It's quite a gift he's giving us, and giving America, tonight. So, please join me in expressing our thanks to Richard Adler.

When President Reagan asked me to join this effort, we agreed that not a cent of public money would be used. And none has. But we've enjoyed the support of our government, especially of the National Park Service.

I would now like to introduce the Honorable Donald P. Hodel, Secretary of the Interior.

Thank you, Secretary Hodel.

And now we are about to honor a very, very special lady.

She's a lady who has stood tall and strong at the doorstep of our country for nearly a hundred years. She has stood with a beacon raised to guide the lost, with an arm outstretched to welcome the homeless, and with a tablet proclaiming her promise of liberty.

We not only honor that lady tonight, but also the millions who saw her beacon and

reached out for her welcome—because they believed her promise.

And we honor what they did to keep her promise alive, and to pass it along to all of us.

Exactly 99 years ago today, a beautiful lady dressed in 200 tons of copper and iron stood staring through the mist in New York harbor, a little like a blushing bride. Quite a fuss was made over her that day. Cannons roared, brass bands played, all the ships in the harbor blew their whistles and rang their bells.

She was that day a young symbol of an old but elusive dream—the simple ideal of "liberty." Tonight, 99 years later but forever young, she stands not only for that original ideal itself, but also as a symbol of what free people, guided and protected by that ideal, can achieve.

For as soon as the cannons and the bands were silent, she began to see the ships slipping into the harbor with the first of the millions of immigrants she would welcome to America.

Tonight she remembers those ships coming from Bremen and Liverpool and Naples, and the cargo they brought. Human beings seeking refuge and opportunity beneath her torch.

They all stood on deck in their best clothes, clutching the kids, and maybe an old cardboard suitcase with a rope around it. It was the best day of their lives.

And as the ships went by her on their way to Ellis Island, a lot of backs, bent by oppression, began to straighten. And a lot of faces, scarred by tyranny, were suddenly smiling. And a lot of eyes, dimmed by despair, began to glow with hope.

She saw all that, and she remembers it well tonight.

She remembers, too, what happened to them after they passed beyond her gaze.

She kept her promise of liberty, but it wasn't the liberty of streets paved with gold. It was the liberty of the shovel, the freedom of the pushcart, and the dignity of the plow.

It was the freedom to work hard, and to keep what that hard work built.

They were ambitious in a time when ambition was not a dirty word.

They were hardworking in a time when hard work was not something to be avoided.

They were builders.

They built a country.

And what they built was the America we have today—imperfect, but better by far than anything anybody else has ever built, anywhere.

The Lady remembers how they did it, and so should we.

They did it with pain, and sweat and tears.

You know, America isn't great because of its natural resources. It's great because those people dug into the ground, often under terrible conditions, and took the resources out.

America isn't great because of miles of open prairies. It's great because people broke their backs to bust the sod and grow food.

America isn't great because of a few industrial geniuses. It's great because of the thousands of others who fired the furnaces and forged the metal.

And America isn't great because of a piece of paper called a Constitution. It's great because people fought, and bled, and sometimes died to fulfill its promise of a just and humane society.

So, the Lady remembers, if sometimes we forget. She remembers who we are and where we came from.

We're all her children, whether she saw our people arrive on those ships from Europe, or whether they came on the Mayflower, or from Africa in chains, or from the Far East or Latin America.

She is a special Lady to all of us, and we honor her tonight because she remembers, and because she helps all of us remember, just what kind of people we are.

Thank you.

DEMOCRACY IN GUATEMALA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 10 minutes.

Mr. FASCELL. Mr. Speaker, the events of last Sunday in Guatemala are potentially the most significant in that country's history over the last several decades. After years of military rule, Guatemala on Sunday held what is widely recognized as free, fair, and open elections for President and for legislative and municipal officials. A runoff between the two top candidates for President will take place on December 8.

Guatemala has gone through a torturous and painful period. The absence of respect for basic human rights was so blatant that in 1977 the United States terminated military assistance to that country. Developments over the past year, particularly the holding of constituent assembly elections earlier this year, have signaled a return to the democratic path.

It is my sincere hope and expectation that Sunday, November 3, will be the date that marks the dramatic turning point in Guatemala's history. The military permitted and encouraged an open honest election and has demonstrated its sincere desire to return to the barracks. I look forward to the successful holding of the Presidential runoff in December, to the inauguration of a civilian President on January 14, and to Guatemala's return to the democratic fold and to respect for human rights, which will bring a full normalization of United States-Guatemalan relations. At that point we must stand ready to assist and support the newly elected Guatemala Government in facing the difficult internal economic and political decisions which will be necessary to solidify these new democratic institutions and revitalize the economy.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SUNDQUIST) to revise and extend their remarks and include extraneous material:)

Mr. IRELAND, for 5 minutes, on November 6.

Mr. LUNGREN, for 60 minutes, on November 12.

Mr. STRANG, for 60 minutes, on November 6.

(The following Members (at the request of Mr. MacKAY) to revise and extend their remarks and include extraneous material:)

Mr. RAY, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. BUSTAMANTE, for 5 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. ANNUNIZIO, for 5 minutes, today.

Mr. PEASE, for 60 minutes, today.

Mr. FASCELL, for 10 minutes, today.

Mr. ALEXANDER, for 60 minutes, on November 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SUNDQUIST) and to include extraneous matter:)

Mr. COURTER.

Mr. GINGRICH.

Mr. BROOMFIELD in three instances.

Mr. SCHAEFER.

Mr. SCHUETTE.

Mr. LAGOMARSINO.

Mr. LOTT.

Mr. MILLER of Ohio.

(The following Members (at the request of Mr. MacKAY) and to include extraneous matter:)

Mr. MARTINEZ.

Mr. MATSUI.

Mrs. LLOYD.

Mr. ROE.

Mr. BOSCO.

Mr. BARNES in two instances.

Mr. FASCELL in two instances.

Mr. HUBBARD.

Mr. LIPINSKI.

Mr. FRANK.

Mr. WYDEN.

Mr. EDGAR.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 130. Joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week, 1986"; to the Committee on Post Office and Civil Service.

S.J. Res. 213. Joint resolution to designate January 19 through January 25, 1986, as "National Jaycee Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 219. Joint resolution to designate the week of February 9, 1986, through February 15, 1986, as "National Humanities Week, 1986"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. GEJDENSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 32 minutes p.m.), the House adjourned until to-

morrow, Wednesday, November 6, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2211. A letter from the Secretary of Health and Human Services, transmitting the collection of these annual reports of the Public Health Service: health maintenance organizations; financial disclosure of health maintenance organizations; disease control programs and immunization; health services research, health statistics, and health care technology; family planning and population research; health information and health promotion; and continuation of pay for dentists, pursuant to 42 U.S.C. 300aa-10 PHSA, sections 2111 and 383(b), Public Law 98-24, section 2(a)(1) (97 Stat. 176), to the Committee on Energy and Commerce.

2212. A letter from the Attorney General, transmitting a report on the administration of the Foreign Agents Registration Act of 1938, as amended, pursuant to 22 U.S.C. 621; to the Committee on the Judiciary.

2213. A letter from the National Commander, AMVETS, transmitting proceedings of the national encampment, pursuant to 44 U.S.C. 1332; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on Federal regulation of direct investments by savings and loan associations (Rept. No. 99-358). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the role of the Overseas Private Investment Corporation (Rept. No. 99-359). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GEKAS:

H.R. 3682. A bill to amend section 3565 of title 18 of the United States Code to provide for the payment to the clerk of the court of fines or penalties imposed by a U.S. magistrate, and for other purposes; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.R. 3683. A bill to reduce the use of limousines by Government officials; to the Committee on Government Operations.

By Mr. RICHARDSON:

H.R. 3684. A bill to designate the El Malpais lava flow and adjacent public lands as a national monument to be managed by the

Bureau of Land Management; to the Committee on Interior and Insular Affairs.

H.R. 3685. A bill to improve the management of the Chaco Culture National Historical Park and its related archeological protection sites; to the Committee on Interior and Insular Affairs.

By Mrs. SMITH of Nebraska:

H.R. 3686. A bill to direct the Secretary of Agriculture to convey, without consideration, to the State of Nebraska certain land to be used for the purposes of expanding the Chadron State Park, NE; to the Committee on Interior and Insular Affairs.

By Mr. WYDEN:

H.R. 3687. A bill to permit the Bell operating companies to provide information services and to manufacture telecommunications equipment so long as such services and manufacturing are not subsidized with the proceeds from the provision of local exchange telephone service or other regulated telecommunications services; to the Committee on Energy and Commerce.

By Mr. WHITTEN:

H.J. Res. 441. Joint resolution making further continuing appropriations for the fiscal year 1986; to the Committee on Appropriations.

By Mr. BONER of Tennessee:

H.J. Res. 442. Joint resolution to prohibit the Federal Communications Commission from permitting long distance carriers to bypass local telephone exchanges; to the Committee on Energy and Commerce.

By Mr. YATES:

H.J. Res. 443. Joint resolution to designate the week of February 9, 1986, through February 15, 1986, as "National Humanities Week, 1986"; to the Committee on Post Office and Civil Service.

By Mr. AU COIN (for himself, Mr. CONTE, Mr. ADDABBO, Mr. HORTON, Mr. BEDELL, Mr. TRAXLER, Mrs. BOXER, Mr. COELHO, Mr. LEVINE of California, Mr. HOYER, Mr. DICKS, Mrs. SCHROEDER, Mr. REID, Mr. FAZIO, Mr. EDGAR, Mr. HUTTO, Mr. CARPER, Mr. HALL of Ohio, Mr. WAXMAN, Mr. MRAZEK, Mr. MARKEY, Mr. EDWARDS of California, Mr. MOLLOHAN, Mr. FRANK, Mr. MATSUI, Mr. WEAVER, Mr. DOWNEY of New York, Mr. LANTOS, and Mr. DELLUMS):

H. Con. Res. 227. Concurrent resolution inviting citizens to light porch lights, candles, or other lights from dusk to dawn on November 19 and 20, 1985; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 69: Mr. DANNEMEYER.

H.R. 70: Mr. LIGHTFOOT and Mr. SMITH of New Hampshire.

H.R. 71: Mr. DANNEMEYER.

H.R. 75: Mr. BILIRAKIS and Mr. MYERS of Indiana.

H.R. 76: Mr. EMERSON and Mr. BILIRAKIS.

H.R. 77: Mr. GEJDENSON and Mr. COATS.

H.R. 97: Mr. DELAY, Mr. SWINDALL, Mr. BOULTER, Mr. HENDON, Mr. LIVINGSTON, and Mr. BILIRAKIS.

H.R. 183: Mr. GILMAN.

H.R. 385: Mr. COATS.

H.R. 983: Mr. GALLO, Mr. KRAMER, Mr. SCHUMER, Mr. BURTON of Indiana, Mrs. BENTLEY, Mr. MORRISON of Connecticut, Mr. STRANG, Mr. DICKS, Mr. HUTTO, and Mr. LEVINE of California.

H.R. 1345: Mr. BILIRAKIS.

H.R. 1682: Mr. STANGELAND.

H.R. 1809: Mr. GEJDENSON.

H.R. 2436: Mrs. BOXER, Mr. RAHALL, Mr. GORDON, Mr. MURPHY, Mr. JEFFORDS, and Mr. FORD of Michigan.

H.R. 2854: Mr. DUNCAN.

H.R. 3099: Mr. WALGREN.

H.R. 3129: Mrs. BOXER and Mr. MARTINEZ.

H.R. 3136: Mr. RANGEL, Mr. MACKEY, Mr. FUQUA, Mr. LEHMAN of Florida, Mr. HUTTO, Mr. CONYERS, Mr. SCHEUER, Mr. SMITH of Florida, and Mr. BENNETT.

H.R. 3139: Mr. BROYHILL.

H.R. 3167: Mr. RAY.

H.R. 3211: Mr. BROOMFIELD, Mr. HUGHES, Mr. CONTE, and Mr. SMITH of New Hampshire.

H.R. 3258: Mr. McGRATH, Mr. FISH, Mr. TOWNS, Mr. AU COIN, Mr. BIAGGI, Mr. ECKART of Ohio, Mr. SUNDSQUIST, Mr. DASCHLE, and Ms. MIKULSKI.

H.R. 3472: Mr. CHAPPELL, Mr. SMITH of Florida, Mr. LAGOMARSINO, Mr. BURTON of Indiana, Mr. TAUZIN, Mr. BATEMAN, Mr. DORNAN of California, Mr. HUCKABY, and Mr. MONTGOMERY.

H.R. 3474: Mr. STENHOLM, Mr. WIRTH, and Ms. KAPTUR.

H.R. 3522: Mr. MCCAIN.

H.R. 3537: Mr. WEAVER, Mr. FOGLIETTA, Mr. SEIBERLING, Mr. BARNES, Mr. WAXMAN, and Mr. SMITH of Florida.

H.R. 3596: Mr. LEHMAN of Florida.

H.R. 3634: Mr. RINALDO, Mr. ROYBAL, Mr. PEPPER, Mr. BORSKI, Mr. ST GERMAIN, Mrs. LLOYD, Mr. APPEGATE, Mr. MORRISON of Connecticut, Mr. NOWAK, Mr. WEAVER, Mr. MRAZEK, Mr. GUARINI, Mr. FOGLIETTA, Mr. ROE, Mr. EVANS of Illinois, Mr. WEISS, Mr. FRANK, Mr. DE LUGO, Mr. BEVILL, Mr. TOWNS, Mr. ENGLISH, Mr. ROSE, Mr. MATSUI, Mr. BARNES, Mr. WILLIAMS, Mr. FIELDS, and Mr. KANJORSKI.

H.J. Res. 401: Mr. HUBBARD, Mr. GREGG, Mr. SYNAR, Mr. EVANS of Iowa, Mrs. KENNELLY, Mr. SWINDALL, Mr. ROWLAND of Georgia, and Mr. FOWLER.

H.J. Res. 409: Mr. MOAKLEY, Mr. DORGAN of North Dakota, Mr. MATSUI, Mrs. KENNELLY, Mr. FLIPPO, Mr. KOSTMAYER, Ms. OAKAR, Mr. ERDBREICH, Mr. O'BRIEN, Mr. YOUNG of Florida, Mr. DWYER of New Jersey, Mr. ANNUNZIO, Mr. FRANK, Mr. HORTON, Mr. CARNEY, Mr. FAZIO, Mr. HENRY, Mr. GALLO, Mr. WORTLEY, Mr. DORNAN of California, Mr. DYSON, Mr. KINDNESS, Mr. HOWARD, Mr. ROE, Mr. DINGELL, Mr. RAHALL, Mr. SUNIA, Mr. LAGOMARSINO, Mr. LaFALCE, Mr. ECKART of Ohio, Mr. PORTER, Mr. McGRATH, Mrs. COLLINS, Mr. HUGHES, Mr. DANNEMEYER, Mr. DEWINE, Mrs. BENTLEY, Mr. BIAGGI, Mr. KOLTER, and Mr. BATEMAN.

H. Con. Res. 101: Mr. EDGAR and Mr. SAVAGE.

H. Con. Res. 129: Mr. DORNAN of California, Mr. RITTER, and Mrs. JOHNSON.

H. Con. Res. 180: Mr. OLIN, Mr. COUGHLIN, Mr. FOGLIETTA, Mr. MINETA, Mr. PEPPER, and Mrs. LLOYD.

H. Con. Res. 213: Mr. GINGRICH.

H. Res. 165: Mr. TRAFICANT.

H. Res. 234: Mr. BURTON of Indiana.

H. Res. 260: Mr. ZSCHAU.

H. Res. 304: Mr. HILLIS, Mr. SILJANDER, Mr. FISH, Mr. PETRI, Mr. BILIRAKIS, Mr. SOLOMON, Mr. DORNAN of California, Mr. WHITTAKER, Mr. FRANK, Mr. PORTER, Mr. CAMPBELL, Mr. MADIGAN, Mr. LEVINE of California, and Mr. SKEEN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6

By Mr. ENGLISH:

(Amendment to the amendment to the nature of a substitute (text of H.R. 3670).)

—On page 366, strike lines 8 through 22 and all that is contained therein and insert in lieu thereof the following:

"Section 201 of the Flood Control Act of 1970, as amended by Section 153 of the Water Resources Development Act of 1976, is amended by striking out the last sentence under the heading 'ARKANSAS-RED RIVER BASIN' and inserting in lieu thereof the following: 'Construction shall not be initiated on any element of such project involving the Arkansas River Basin until such element has been approved by the Secretary of the Army. The chloride control projects for the Red River Basin and the Arkansas River Basin shall be considered to be authorized as separate projects with separate authority under Section 203 of the Flood Control Act of 1966, as amended.'"

By Mr. MILLER of California:

(Amendment to the amendment to the nature of a substitute (text of H.R. 3670).)

—Beginning on page 399, line 6, through page 411, line 19, delete all of Title XII and renumber the subsequent titles and sections accordingly.

—On page 411, delete lines 14 and 15 and renumber the subsequent sections accordingly.

—Beginning on page 409, line 6, through page 411, line 12, delete all of "Subtitle C—Assistance for State Water Planning and Management", and renumber the subsequent sections accordingly.

—Beginning on page 399, line 19, through page 409, line 5, delete all of "Subtitle B—National Board", and renumber the subsequent sections accordingly.

—(1) On page 399, line 19, delete all through page 403, line 16.

(2) Beginning on page 403, line 17, insert the following:

SUBTITLE B—PRINCIPLES AND STANDARDS

"SEC. 1221. (a) The Secretary shall establish by rule, after such consultation with other interested entities, both Federal and non-Federal, as the Secretary may find appropriate, principles, standards, and procedures for Federal participants in."

(3) On page 404, line 17, delete "The Board" and insert in lieu thereof: "The Secretary of Agriculture".

(4) Starting on page 405, line 3, delete all through page 407, line 14.

(5) Beginning on page 407, line 15, insert the following:

"SEC. 1222. (a) Simultaneously with promulgation or repromulgation of any rule by the Secretaries under authority of Sec. 1221 of this Act or under authority or."

(6) On page 407, line 21, delete "the Board" and insert in lieu thereof: "the Secretaries".

(7) Beginning on page 408, line 11, delete all through page 411, line 19.

—On page 403, line 24, delete "regional economic development," and on page 404, line 1 through line 2, delete "the well-being of the people of the United States, the prevention of loss of life,".

—Page 184, after line 20 insert the following new section:

"SEC. 631. (a) The Secretary is authorized and directed to conduct a study on the op-

portunities for the recovery of costs allocated to irrigation storage or conservation storage at water resources projects constructed by the Corps of Engineers. Such study shall indicate for each project—

“(1) the current status of repayment of reimbursable costs;

“(2) how the Secretary intends to recover the cost allocated to conservation storage or irrigation storage; and

“(3) detailed estimates of revenue resulting from existing and probable future contracts for such storage.

“(b) The Secretary is further authorized and directed to submit a report presenting the current distribution of project benefits, including irrigation, among project purposes relative to the original cost allocation for each project constructed by the Corps of Engineers which provides water for irrigation and—

“(1) such project has not, by Federal statute, explicitly been designated, made a part of, or integrated with a Federal reclamation project; and

“(2) no project works have been provided pursuant to Federal reclamation law for the control or conveyance of an agricultural water supply.

Such report shall be accompanied by the views of the Army Audit Agency and shall include the conclusions and recommendations of the Secretary regarding administrative, regulatory, and/or statutory means of

adjusting the cost allocations to more accurately reflect the current use of the project, including the equitable payment of irrigation capital and operation and maintenance costs.

“(c) Not later than eighteen months after the date of enactment of this Act, the Secretary shall submit a report of the studies required by this section, together with recommendations, to the Committee on Public Works and Transportation and the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources of the Senate.”.

By Mr. PETRI:

(Amendment to the amendment in the nature of a substitute (text of H.R. 3670).)

—Page 362, strike out lines 14 through 18 and insert in lieu thereof the following:

Sec. 1159. The provisions of section 302 of this Act shall apply.

—Page 399, after line 5 add the following new section:

“Sec. 1199K. Notwithstanding any other provision of law, the unpaid balance of principal allocated to power for facilities constructed by the Secretary, including that portion of the unpaid balance of principal for such irrigation facilities to be repaid from power revenues shall be repaid annually beginning in fiscal year 1988 at a level not less than would be required under a straight-line amortization schedule as ap-

plied separately to each investment placed in service; *Provided*, That this amortization schedule may be phased in over several years, starting in 1988, if necessary to limit to five percent per year the annual increase in the revenue requirement that is solely attributable to the increase in scheduled repayments required by this section, compared to the most recent repayment schedule approved by the Federal Energy Regulatory Commission; *Provided further*, That principal repayments may be deferred in years with low hydroelectric generation, subject to the same terms and conditions applicable to deferred payments of interest.”

By Mr. SOLOMON:

(Amendment to the amendment in the nature of a substitute (text of H.R. 3670).)

—Page 122, after line 19, add the following new subsection:

(f) If any provision in any report designated by subsection (a) recommends that Federal participation in the cost of periodic beach nourishment extend for more than 15 years following the initial beach fill placement, such provision shall not apply to the project recommended in such report.

—Page 354, strike out lines 19 through 21, and renumber succeeding sections accordingly.

—Page 356, line 4, strike out “(1)”.

Page 356, line 5, strike out “, and” and all that follows through the period on line 7 and insert in lieu thereof a period.

SENATE—Tuesday, November 5, 1985

(Legislative day of Monday, November 4, 1985)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Commit thy works unto the Lord and thy thoughts shall be established.—Proverbs 16:3.

Father God, thank Thee for the progress of yesterday. May it continue that much will be accomplished and this day end with leaders and Members satisfied and without any regrets. The legislation by its very nature compounds frustration as Senators and staffs labor to make the best of the inevitable. Infuse this Chamber with a high spirit of unity and cooperation, lofty motive, and self-discipline. Help the Senators with hidden emotions which haunt attitude, actions, and words. Let the peace of God that passeth understanding guard their hearts and minds. Manifest Thyself faithful Father so that they may know they are not alone as they seek to know and do what is right consistent with the finest statesmanship. Heal and encourage and make wise and bless these Thy servants. For the glory of Thy name. Amen.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The distinguished acting Democratic leader is recognized.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time for the majority leader and the minority leader be reserved for their use later today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, it is my understanding that I have special order, is that correct?

The PRESIDING OFFICER (Mr. EVANS). The Senator is correct.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not more than 15 minutes.

Mr. PROXMIRE. Mr. President, I yield to the distinguished Senator from South Carolina.

CLAIMS OF RETALIATION BY OPPONENTS OF THE TEXTILE AND APPAREL TRADE ENFORCEMENT ACT OF 1985

Mr. THURMOND. Mr. President, I rise today to address the claims made by opponents of the Textile and Apparel Trade Enforcement Act of 1985 regarding retaliation by our trading partners.

Mr. President, all sorts of exorbitant figures have been employed in an effort to convince my Senate colleagues to oppose this much needed legislation. Some opponents of the bill would have us believe that every country in the world will immediately stop buying from the United States upon passage of this bill. In reality, that will simply not happen.

Retaliation is a form of revenge. It is an attempt to get even or to get the upper hand. No country retaliates if retaliation will result in a weakening of their own trade position.

In the international trading arena, retaliation could result when one nation does not like an action taken by one of its trading partners. Of course, a country running a large trade surplus with another country would be unwise to retaliate against a country upon which it depends as a market for its goods. The country having a trade surplus would simply stand to lose far too much.

Mr. President, the revised textile bill would roll back textile and apparel imports from only the three largest textile and apparel importers into the United States. Those three countries had a combined trade surplus with the United States in 1984 of over \$19 billion. In addition, the 12 producing countries covered by the bill had a trade surplus with the United States in 1984 of over \$70 billion. It just would not make sense for these countries to risk jeopardizing their large overall trade surplus with the United States simply because the rate of growth of their textile imports into our country was being held to a moderate, reasonable level.

Some American farmers have been vocalizing a fear of retaliation from the passage of textile legislation. Yet other farmers support its enactment. I assure you that the last thing I want to do is hurt our farmers. In my home State of South Carolina farming is the No. 1 industry. I come from a farming background and have always been a strong supporter of the farmer. Remember, foreign nations buy American farm products because our farm-

ers are the most productive in the world and offer the best product available in the world. I hardly think other nations will turn to inferior sources of supply simply because our country takes steps to enforce other trade agreements already on the books.

Recent action taken by the European Economic Community [EEC] to cut back textile imports was effective and did not result in any retaliation. Their actions included quota cutbacks and low growth rates as allowed under the Multi-Fiber Arrangement. Similarly, aggressive utilization of these MFA provisions is mandated under the Textile and Apparel Trade Enforcement Act to control the import problem in this country and should not cause any retaliation.

Mr. President, our Nation's industrial base is at a crossroads. Are we going to provide for managed trade in textile-apparel products or are we going to turn our backs on the 2 million Americans employed in this industry and the additional 2 million Americans working in related industries? Prompt passage of legislation that I and 54 of my colleagues have proposed will benefit our entire Nation by stopping the export of American jobs without harming other industries.

In closing, Mr. President, I want to say this: We are not asking that all imports be cut off. We are merely asking that they be reduced. I want to make it clear that we are not asking to stop imports. We are merely asking to let them come in at a reasonable, moderate rate which is necessary in our opinion to preserve the textile-apparel industry in America.

Again, I point out that the textile industry in America provides one-tenth of all manufacturing jobs in the United States. It provides more jobs than the automobile industry and the steel industry combined. It is important that it be preserved. Studies show that at the rate we are going now, in about 10 years we will probably have no textile industry. We have to take these steps to prevent American jobs from all going overseas.

If we have a war, what will we do with no American textile-apparel industry? Where will we get the uniforms? Where will we get the tents? Where will we get all of the other things such as parachutes that are required in time of war? We certainly would not be able to get them from our enemies.

It is essential that we preserve this vital industry from a national defense standpoint. The Defense Department itself says that textiles rank second to steel in the matter of national defense. It seems to me our people had better begin to wake up and think about this. Now is the time to take necessary action to preserve these jobs—and to preserve an industry that is essential to the survival of the United States.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time consumed by my good friend from South Carolina not be taken out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE CRISIS

Mr. PROXMIRE. Mr. President, I want to congratulate my good friend from South Carolina, the distinguished President pro tempore, on his excellent statement. He is absolutely right. We are not asking that we exclude all foreign textiles. We are only asking that the Americans be given about a 50-percent shot at our own market. So what the Senator from South Carolina has been talking about is very thoughtful and wise. I enthusiastically support it.

Mr. THURMOND. Mr. President, I want to thank the able Senator from Wisconsin. I would like to read a letter that came out in *Time* magazine on October 28, 1985, from a professor in Wisconsin on this very subject. He was responding to an article in *Time* magazine which indicated a more or less favoring of free trade. The letter is by John M. Culbertson, professor, department of economics, University of Wisconsin at Madison, WI.

I do not know whether the Senator has seen this letter. Has he?

Mr. PROXMIRE. I have not seen that letter. I have great respect and admiration for Professor Culbertson. He is one of our real stars, and is recognized nationally as an expert.

Mr. THURMOND. This is the most precise statement that I have seen anywhere. I would like to read this short letter that he wrote. As I said, he is responding to a previous article in *Time* magazine.

Your article ignores the real cause of the U.S. trade crisis. Our products are being undersold by goods from nations that use the same technology and production methods we do but have wage rates one-half to one-tenth as high. In addition, these countries often subsidize their exports or avoid costly environmental and safety regulations on production. Free trade under these conditions has the same effects as free migration. The only reasonable policy is to insist on trade that benefits us as well as the countries that sell to us. Achieving mutually beneficial trade requires limitation on imports to keep our trade in balance in the face of the wide differences in national wage levels. These import limitations are the counterpart of the immigration limitations that

prevent an excess inflow of people from low-wage nations from undermining our standard of living. In the world as it is, free trade is as suicidal for a high-income nation as is free immigration.

Mr. President, I do not think I could express that better. I do not think anybody could express it better than this short letter written by economics Prof. John M. Culbertson from the University of Wisconsin.

I want to commend him publicly today for writing this concise, incisive article which is right on point. He comes from the same State as the able and distinguished Senator here, Senator PROXMIRE.

Mr. PROXMIRE. Mr. President, I thank my good friend.

RECENT ARMS CONTROL PROPOSALS ARE GOING NOWHERE

Mr. PROXMIRE. Mr. President, in recent days the administration has been issuing a torrent of arms control proposals for the Geneva summit. In general the proposals, at least superficially, appear to be both positive and significant. They would sharply reduce certain classes of nuclear weapons by very substantial amounts. For instance, President Reagan has proposed to sharply reduce the number of ballistic missile warheads on both sides, keeping them under a ceiling of 6,000 but excepting missiles carried by bombers. Another Reagan initiative would stop the United States proposed Midgetman mobile missile in return for the Soviet Union dismantling its SS-24 and SS-25 mobile missiles, and stopping all future mobile missile deployment.

How do these Reagan initiatives square with the Soviet position? The first Reagan proposal for the deep missile cut to 6,000 superficially appears identical to the Soviet proposition for a reduction to 6,000 ICBM's in both superpower nuclear arsenals. This has inspired a hope that in spite of the Reagan record of consistent opposition to arms control, this administration might once again surprise its critics—including this Senator—by reaching an agreement that for the first time in the nuclear age actually makes big and significant reductions in nuclear weapons on both sides.

With the Reagan and Gorbachev proposals there is obviously some real possibility of arms control progress here. But wait a minute. There are also several problems. First, as this Senator has said many times, the superpower nuclear arsenals are now so immense and possess such devastating power and accuracy that a reduction to 6,000 missiles even if fully achieved would still leave both sides with far more than enough nuclear power to utterly obliterate the other several times over. Furthermore, President Reagan has made his antimissile defense or star wars essential and un-

touchable. But star wars probably cannot work at all unless the Soviets "make our day" by reducing their offensive nuclear arsenal as President Reagan proposed. A mutual cut to 6,000 missiles would provide a real start in making star wars a possible success. So why would Gorbachev agree? Even if he did agree what would be the result? The proposed reductions sound like they herald a new period of peace and harmony. Actually they simply recognize how appallingly excessive both nuclear arsenals have become and how the time may have come for both sides simply to retire their older and more obsolete weapons. Such action would not bring the world any closer to the prevention of nuclear war.

The latest Reagan proposal: For both sides to ban all mobile missiles has the merit of eliminating all of a new and potentially fast growing kind of nuclear weapon system. This could be a significant step toward the comprehensive elimination of whole classes of nuclear weapons in the future. It has several serious shortcomings, however. This country's State Department was reported in Saturday's *New York Times* to have opposed the Reagan proposal. Why? First they said it would never win Soviet acceptance. Why not? Because the Soviets already have produced and deployed extensive mobile missiles in their SS-24 and SS-25 missiles. We have not significantly produced or deployed Midgetman.

Second, the Soviets would have every reason to resist ending their mobile missile program. Here is why: More than 70 percent of Soviet missiles are land based. Most of these are stationary and therefore highly vulnerable—in fact, sitting ducks. The Soviets have started to correct that. The mobility of their new missiles has begun to give the Soviet deterrent a much greater survivability. How about the effect of a mobile missile ban on this country? Answer: the effect would be minor. Consider: about three-fourths of the U.S. nuclear deterrent is submarine and bomber based. These missiles are mobile, but they would be excluded from the Reagan proposal because they are not land-based mobile. So the President's proposal would be very advantageous to the United States and very disadvantageous to the Soviets.

We have far, far more submarine-based nuclear charges than the Soviet Union has, far more.

Second, such experts as Senator ALBERT GORE and House Armed Services Chairman LES ASPIN have fought hard to achieve the Midgetman mobile missile the President would now negotiate away. Why do GORE and ASPIN favor a U.S. mobile land-based missile? Because Midgetman would presumably carry a single warhead on each mobile

land-based missile. This would have the disadvantage of high cost, but the very great advantage of maximum invulnerability. Midgetman could survive a nuclear attack. Why? Because the missiles would be both numerous and constantly moving, therefore virtually impossible for an adversary to mount a first strike that would entirely eliminate this mobile and numerous Minuteman deterrent. If the President were to succeed in persuading Secretary Gorbachev to agree to a ban on mobile missiles, while retaining the huge U.S. submarine and bomber advantage—our bomber advantage is about 5 to 1 in nuclear deployment—in nuclear weapons deployment, it would be a truly astonishing military coup for this country and, of course, for the Reagan administration. That is exactly why no one should hold his breath until Secretary Gorbachev agrees to it.

Mr. President, in spite of this gloomy assessment, there is still genuine hope. After all, no one expected the Reagan administration to become the preeminent champion of arms control. It is easy for this Senator or any other critic to point to the feeble prospects of stopping the arms race with the kind of proposals we have seen so far. But this administration is far and away the most hostile to arms control of any that has occupied the top office in the United States since the dawn of the nuclear age. Now it is making specific proposals to reduce nuclear arsenals on both sides. That fact indicates the remarkable and enduring political strength of arms control sentiment in this country. The long-term future for arms control given that underlying American public opinion support could eventually provide a genuine and effective arms control agreement between the two superpowers.

MYTH OF THE DAY: A DROP IN FARM PRICES FOR MILK MEANS LOWER CONSUMER MILK PRICES

Mr. PROXMIRE. Mr. President, a myth persists that a drop in farm prices for milk means lower consumer milk prices. This is a myth, pure and simple. The fact is that a drop in farm prices for milk does not mean lower consumer prices.

Let us look at what the facts reveal. The dairy price support level was frozen at \$13.10 per hundredweight from October 1, 1980, up to December 1, 1983. Since December 1, 1983, there have been three price support cuts totaling \$1.50 per hundredweight, a devastating plunge of over 11 percent.

So since 1980, with inflation going up, the farmer has gotten less, substantially less.

Mr. President, what has happened to farm milk prices since October 1, 1980? They have dropped a whopping 8 percent.

But what about consumer prices during that same period? While farm prices for milk have been dropping, here is what has been happening to consumer prices for dairy products:

Whole milk retail prices have increased 6.3 percent; butter retail prices have increased 8 percent; cheese retail prices have increased 16.8 percent; and ice cream retail prices have increased 22 percent.

And listen to this, Mr. President: If the changes in the farm price for milk had been matched by changes in retail prices, the consumers of America would have saved over \$10 billion since October 1980.

That \$10 billion has gone right into the pockets of the processors.

These figures make it crystal clear that reductions in farm milk prices have not been passed on to consumers. Those who say otherwise are myth-makers.

PETS IN HOUSING

Mr. PROXMIRE. Mr. President, a study of housing managers in the State of California, carried out by researchers from the University of California, Davis, shows that pet ownership has not created problems in government-assisted housing. Housing managers, in fact, reported overwhelmingly, that the introduction of pets under a State law passed in 1982 has proceeded smoothly. The study found that anticipated problems have not developed. It found that housing managers give senior citizens excellent grades for being responsible pet owners.

These findings, I believe, confirm the action taken by the Congress in approving the senior citizen pet ownership provisions which I introduced and are contained in the 1983 Housing Act.

I still get letters from housing managers saying what a terrible thing this is, how inconvenient it is, and how inconsiderate it is to other people who occupy housing units that do not have pets. But this study, a well-documented study, shows that this has worked out well.

Of the 50 local housing authorities affected by the California pet law, which, like the Federal law, permits pet ownership 25 reported positive effects from the legislation, while 17 reported no noticeable change. Only 8—out of the 50 surveyed—attributed negative effects to the legislation.

I think it is significant that the housing authorities which reported that implementation of the pet law is going smoothly are the authorities that had most of the pets. They also were the authorities which had taken an active role in carrying out the law. In contrast, authorities that had fewer pets and did little to implement the law, reported more problems. These findings suggest to me, Mr. President,

that naysayers are not only wrong, they invite problems.

The researchers found that housing authorities which adopted clear pet policies and enforced them, and brought together the available community resources which support pet ownership, had few complaints about residents having pets. Their experience suggests that a housing management that: First, adopts clear rules for keeping pets; second, implements them consistently and reasonably; third, makes available basic information about pets—for example, which breeds are most suitable—and responsible pet ownership—for example, elevator etiquette—and fourth, assists in recruiting resources provided by community groups such as the local humane society, and local veterinary, animal welfare and pet owner associations is going to find that pet ownership helps make senior residents happier people—and better tenants.

Managers reported that senior residents owning pets benefited from the companionship of the pet, showed positive changes in mental attitudes, exercised more regularly, felt more secure, and generally enjoyed a more humane environment. This is exactly what supporters of this legislation predicted.

At the same time, researchers reported "... managers commonly volunteered that the problems they had anticipated, such as personal injury, noise or property damage to carpets, drapes, or furniture simply did not arise. There was a recurring theme of surprise and amazement that the legislation has proceeded so smoothly."

Mr. President, this study of the effects of pets in governmentally assisted housing conducted by Dr. Lynette A. Hart and others of the University of California, Davis, is one of the first to be conducted since Federal and State legislation was enacted to bar discrimination against pet ownership in assisted housing. Dr. Hart is now completing a more detailed study. Other researchers I am sure, will add to our information in the future. While I know we have much to learn in this area, I am confident that what Dr. Hart found in California will hold true in the other 49 States: pet ownership makes good sense in housing the elderly—both for the elderly and for housing managers.

A SEASON OF EXPECTATION

Mr. PROXMIRE. Mr. President, in a September 24 letter to the New York Times editor, Avital Shcharansky pleaded with our Nation to intervene on behalf of her husband. Mrs. Shcharansky left the Soviet Union in 1974. Her husband still remains there with 400,000 other Soviet Jews held captive.

Her husband, Anatoly Shcharansky, was refused a visa in 1973. In 1977, Mr. Shcharansky was sentenced to 3 years in prison and 10 years of hard labor. Now in a work camp, his life is a misery of confinement, poor health, and isolation. His crime was his involvement in organizations monitoring the Soviet Union's compliance with the Helsinki accords.

Avital Shcharansky hopes that in this time of international summitry, the rights and lives of hundreds of thousands of Soviet Jews may also be considered. She calls this time in history a "season of expectation."

I am also hopeful that in this "season of expectation" we can once again consider the fate of the Genocide Convention. As the terrible predicament of Anatoly Shcharansky attests, there still remains a widespread and ugly expression of religious and racial prejudice in our world.

The Genocide Convention condemns this kind of despotic denial of human rights. The convention further restricts similar situations from escalating into actual acts of genocide. Even now, Anatoly Shcharansky's health dangerously weakens from poor diet and abhorrent living conditions.

Perhaps Mrs. Shcharansky is right. These are hopeful times; and I hope that my colleagues share my expectation.

Let us push for the prompt ratification of the Genocide Convention. Let us take action before this "season of expectation" fades into a winter of doubt.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. GORE] is recognized for not to exceed 15 minutes.

Mr. GORE. I thank the Chair.

U.S. STRATEGIC GOALS

Mr. GORE. Mr. President, as we approach the summit meeting between President Reagan and Secretary Gorbachev, I felt it would be useful to review the goals we have been pursuing in our country since World War II. There have generally been three strategic goals possible. No. 1 is superiority; No. 2 is equality, also described as parity; and No. 3 is stability.

In the early years of the nuclear arms race, we had unquestioned nuclear superiority. In recent years, as the Soviet Union has matched the nuclear arsenal of the United States, we have formally rejected the strategic goal of superiority. Interestingly, last year, at the Republican National Convention, there was a debate over whether or not the word "superiority" should be included in a statement of our goals for strategic policy. The White House

agreed with those who wished to delete that word, "superiority," and in a press conference, President Reagan confirmed that his personal view is that the United States should not now seek nuclear superiority over the Soviet Union.

So what are the other two goals, equality and stability? For the last decade our tacit goal has been equality or, stated another way, parity. If we cannot achieve superiority in the nuclear arms race, then at least we could achieve equality and maintain parity. This has been thought to be important for a number of reasons, not least among them the fact that political consequences flow from an absence of equality or parity.

But in the last several years many have come to realize that the strategic goals of equality is by itself insufficient. That is because even in a condition of equality one nation can conceivably acquire an advantage from launching a first strike. This is because the introduction of highly accurate multiple warhead missiles has made it possible for one missile in the arsenal of one superpower to destroy several missiles in the arsenal of the other superpower. Both nations use the rule of thumb which states that at least two warheads must be used to destroy a missile silo. This is a function of reliability as well as accuracy and is generally accepted by both sides.

In the future the introduction of maneuverable reentry vehicles and terminal guidance systems may eventually change that rule of thumb, but for the time being the two-for-one rule is accepted by both nations.

If you look at a simple example, therefore, you can see how equality does not necessarily produce stability. Imagine a simplified strategic relationship where each nation had only three missiles in its arsenal. Each of these missiles within the example is based in silos and each is equipped with six highly accurate multiple warheads. Within the terms of this example, the two nations have forces that are equal in power, equal in every respect. Yet the nation which launches one of its missiles first has the theoretical ability to apportion its six warheads among the three silos on the other side using two of them to destroy the first, two of them to destroy the second, and the remaining two to destroy the third. In the aftermath of such a theoretical first strike, the nation launching first would have two-thirds of its missile force retained. The other nation would have none of its forces remaining.

That is said to be an unstable situation. If the nation launching a first strike can gain a clear advantage from launching that first strike, then one does not have stability. Within the terms of the example I have just cited, the two nations were equal in every respect, but the relationship between

them was highly unstable because either nation could gain an advantage from launching a first strike.

So the second strategic goal, that of equality or parity, is by itself insufficient if our ultimate objective is to reduce the risk of nuclear war.

The third goal, that of stability, is the one we should be pursuing. The Scowcroft Commission assisted in the formation of a consensus in this country that rested on a rather precise definition of the term "stability." Stability can be defined as the absence of first-strike advantages. A stable strategic balance can be found when the relationship between the arsenals of the two superpowers makes it impossible for either one of them to gain any conceivable advantage from a first strike. The means for achieving this relationship is to reduce the ratio of accurate warheads on one side to weapons that are targeted on the other side.

Stated another way, our objective is to increase the price of attack to the aggressor. The price to attack can be measured in the number of warheads required to eliminate the strategic forces of the other side. If we simultaneously reduce the number of warheads targeted on the forces of the other side and increase the number of targets which the other side has to aim at, then we are moving toward strategic stability.

This problem is not merely theoretical because for the last 20 years in the United States our strategic dialog has been shaped by the fear of a Soviet first strike against our land-based missiles. The scenario which generates that fear is, of course, wildly unrealistic, but many, including prominently President Reagan, have cited a theoretical Soviet first strike against our land-based missiles as the principal reason for instability in our strategic relationship with the Soviet Union.

The Scowcroft Commission recommended a solution for this particular instability, a combination of arms control, a limited deployment of MX missiles, and the deployment of a new mobile single warhead missile. Calculations recently completed underscore the wisdom of the Scowcroft Commission's recommendations, for these calculations demonstrate that deployment of a mobile single warhead missile in hardened mobile launchers on military reservations of 5,000 square miles would raise the Soviet Union's cost to attack that missile force to a level about the number of warheads owned by the Soviet Union and far above the level they would retain after an agreement to reduce their warheads.

Yet, in our counterproposal to the Soviet Union, revealed in the news media over the weekend, the administration is recommending that we reject the advice of the Scowcroft

Commission and abandon the strategic consensus that has been built up over the last 3 years.

I am told by officials within the administration, speaking privately, that General Scowcroft and members of his commission were not consulted. I am told also that Dr. John Deutsch and members of the panel recently appointed by the President to review the status of the Midgetman missile were also not consulted. I know for a fact that those within this body and the other body who have worked closely with the President for the last 3 years in strengthening the strategic consensus were also not consulted.

Thus, the strategic consensus so carefully and deliberately constructed over the past 3 years was carelessly tossed aside.

Mr. President, I hope that the signs of optimism which accompany the daily news stories about the upcoming summit meeting will prove to be realized and that we will have an agreement that sharply reduces the risk of nuclear war. I am concerned, however, that in a democracy, one cannot sustain a bipartisan strategic consensus by making frequent and rapid U-turns, without consultation and without forethought.

The hopes and dreams of every American will accompany President Reagan when he goes to Geneva November 19 and 20. One can hope that the blueprint he has outlined will result in an agreement. If it does not, however, we shall have to continue in our efforts here at home to build a strategic consensus that supports modernization and continued arms control efforts, and I fear that that will be more difficult in the wake of the decisions announced over the weekend.

Mr. President, I hope to elaborate on some of these ideas in other addresses to this body throughout the remainder of the week.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized for not to exceed 15 minutes.

SEPTEMBER, 1985 TRADE FIGURES

Mr. BAUCUS. Mr. President, this administration sees the trade issue as a

political problem to sweep under the rug.

I see it as an economic problem to confront head on.

Last Thursday the Census Bureau released the U.S. trade figures through September 1985.

Those figures revealed once again that the current administration does not have a trade policy.

The figures showed that the trade crisis facing our Nation has reached record levels. The September deficit was \$15.5 billion, the highest monthly deficit on record.

And the problem is getting worse.

In the first 9 months of this year, the accumulated deficit reached \$106.6 billion. That figure is \$11.1 billion above the same period last year.

The problem is getting worse on a country-by-country basis as well.

The trade deficit with Japan was \$5.1 billion, a record for any 1 month.

Japan's trade deficit for all of 1984 was \$37 billion. This year, we have almost reached that level in 9 months.

The deficit with Canada rose to \$2.1 billion. The August figure was only \$1.4 billion.

But, Mr. President, the September trade figures were not the only significant trade release issued last week.

Last week the USTR, pursuant to legislation passed by Congress last year, issued a report listing all unfair trading practices engaged in by our foreign trading partners.

That report demonstrated dramatically one reason why the September trade figures were so appalling.

The report listed 227 separate restrictions on American exports. That is 227 good reasons why this administration needs to adopt a coherent, aggressive trade policy.

There are a number of reasons for the frightening trade problem we face—the dollar is overvalued and the budget deficit is too high, among others.

But the USTR's report is a dramatic reminder that an important source of the problem is unfair trade barriers.

It is no coincidence that the largest number of restrictions, 31, were imposed by Japan, the country with whom the United States has the largest trade deficit.

It is no coincidence that our exports are declining when Korea makes it illegal for Korean citizens even to possess a U.S. cigarette.

It is also no coincidence that we are losing foreign markets when Taiwanese tariffs often range from 50 to 75 percent.

Mr. President, this catalog of unfair trading practices reminds us why we must demand a fairer world trading system.

The September trade figures remind us that the administration has failed utterly to take that action.

Today I call on the administration to come forth with a coherent, aggressive trade policy.

If it does not, these monthly trade figures will continue to be a monthly national nightmare.

THE FARM CREDIT SYSTEM MANAGERS

Mr. BAUCUS. Mr. President, on another matter, I wish to say a few words about the Farm Credit System.

Over the last few weeks officials of that System have been extremely vocal about the financial plight of the System and about the need for Federal assistance.

Donald Wilkinson, Governor of the Farm Credit Administration, has pegged the amount needed to rescue the Farm Credit System variously between \$5 and \$10 billion.

We in Congress are inclined to look with favor at proposals to extend financial assistance to the System because of our concern for the farmers of America. The Farm Credit System holds one-third of all farm debt. We must be concerned about that debt.

We do not yet have good figures on the extent of the problem the level of financial and that will be necessary. We await final audit figures. But we are certainly sympathetic.

However, this weekend we discovered that at the very moment when Farm Credit System officials have been pleading for Federal aid, they also have been awarding themselves handsome raises. According to press reports these raises have ranged up to 140 percent over the last 5 years. Who among us would not like to be able to say our salary had more than doubled since 1980?

Let us be clear here. This is not a case of badly underpaid officials finally catching up. Salaries in the Farm Credit System look pretty good. At least one regional chief reportedly earns nearly \$190,000.

I would like to know how many farmers have net incomes of \$189,000?

There is little dispute that some of the Farm Credit System's problems stem from poor management. Should those in management positions be paid such large sums? Should they be rewarded with magnificent raises?

Mr. President, this is a private system. The salaries it pays its employees are not set by government. But this kind of behavior; this callous disregard for the plight of the system's constituency is inappropriate. It can only make us more suspicious.

These stories only reinforce my belief that reform must accompany any financial assistance.

I have introduced legislation that both strengthens local control and requires better financial management. My proposal mandates the use of gen-

erally accepted accounting principles and the conduct of annual audits.

In addition, my legislation calls for the establishment of a Federal Farm Credit Insurance Corporation (FFIC) along the lines of FDIC and FSUC.

My bill recognizes that the Farm Credit System must have the confidence of its farmer borrower-shareholders and of the financial markets. It must be well run.

Mr. President, I hope that the Senate passes my bill, or a variation of it. Certainly I'm open to suggestions to make it better. The bottom line is the Federal Farm Credit System needs not only financial assistance, but also reform.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 10 a.m. with statements therein limited to 5 minutes each.

The Senator from New Hampshire.

MIROSLAV MEDVID

Mr. HUMPHREY. Mr. President, over the last week or so the Senator from New Hampshire and a number of others in both Houses have been struggling desperately to convince the administration to reopen the case of the Soviet seaman, Miroslav Medvid.

In that connection I shall read into the RECORD a letter issued late yesterday afternoon by the President of the American Federation of Labor and Congress of Industrial Organizations, Mr. Lane Kirkland. The letter is addressed to the President, dated November 4.

DEAR MR. PRESIDENT: I am writing to you regarding the very urgent matter of Miroslav Medvid, the young Ukrainian sailor who was returned by the U.S. Border Patrol to the Soviet ship, the Marshal Konev.

Since his return to Soviet hands sufficient evidence has arisen to suggest that Mr. Medvid has in fact clearly sought political asylum but that his intentions were not properly conveyed to U.S. immigration officials.

Mrs. Irene Padoch, a translator for the Immigration and Naturalization Service, has indicated that Mr. Medvid had asked U.S. authorities for political asylum.

Moreover, there is reason to believe that before his second interview, he was subjected to severe coercion and threats at the hands of Soviet authorities.

Because this matter appears to be the source of a great deal of uncertainty and because there is the danger that an unconscionable injustice may be perpetrated, I urge you to act now to allow Mr. Medvid to be removed from the Marsal Konev so that he can clearly and freely state his views to U.S. authorities.

If Mr. Medvid truly wants to return to the USSR, there can be no reason for the Sovi-

ets to deny him the opportunity to say so clearly and unequivocally. If, on the other hand, he wishes to seek asylum he ought to be permitted the opportunity to do so.

Your intervention would help to alleviate widespread public concern that a terrible mistake and grave injustice may have been committed in this matter.

The stakes in this case are high. We need recall the case of the Lithuanian sailor Simas Kudirka, who through an error was returned to Soviet authorities. Mr. Kudirka was subsequently sentenced to a decade of imprisonment for having sought freedom.

I urge you to act to see that justice is done and Mr. Medvid does not suffer the fate of Simas Kudirka. Such action is important because it would send a clear signal that the U.S. is ready to protect any Soviet citizen who risks his life in the hope of gaining freedom on our shores.

Sincerely,

LANE KIRKLAND,
President.

Mr. President, I need not remind my colleagues that the AFL-CIO is a powerful and large organization, an organization which has substantial legal resources available to it. I am certain that Mr. Kirkland would not have issued this plea to the President to reopen the case without having been advised that there is substantial grounds for such a reconsideration, without having been so advised by his staff attorneys.

I think it adds yet another substantial weight to those efforts to reopen the case, and I urge my colleagues to phone the White House, sign the letter which has been circulated and is still circulating, to sign a letter urging the President to reopen this case.

I also advise my colleagues if they are unaware of it this afternoon at 2 p.m. the Immigration and Refugee Policy Subcommittee of the Judiciary Committee will be conducting an open hearing on this very matter, that is, the case of the Soviet seaman Miroslav Medvid, and that will be in room 226, Dirksen Office Building.

THANK YOU TO VOLUNTEERS FOR KIDS HOT AIR BALLOON RALLY

Mr. THURMOND. Mr. President, I should like to take this opportunity to commend a group of dedicated volunteers for their outstanding and successful efforts in the first annual "KIDS Hot Air Balloon Rally" which took place June 7-9, 1985, in Leesburg, VA. KIDS, Inc., is a national, nonprofit charitable organization whose goal is to fulfill the wishes of 100 gravely ill children this year. Toward this purpose, 27 balloonists and their crews, a host of volunteers, a number of generous sponsors, and civic emergency unit teams all worked diligently to ensure that the KIDS Balloon Rally was both safe and enjoyable for the several thousand spectators who attended.

I particularly wish to commend Capitol Hill Police Officer Bob Fitzpatrick, who served as master of ceremo-

nies, and Ms. Pat Perry of Congressman JIM WRIGHT's office, who organized the accompanying attractions at the rally. Capitol Hill Police officers Bill Dirks, Tom Galifaro, and Bob Dindorff; Mrs. Beth Fitzpatrick; Mr. Rick Pasciuto; and Ms. Tammy Rives all volunteered an enormous amount of time and effort to make the event a success.

Sponsors of the organization and event include Anton Motors; BDM International, Inc.; the Adolph Coors Co.; Gould Electronics, Inc.; Hughes Aircraft Co.; Kodak; McDonnell Douglas; R.J. Reynolds Tobacco Co.; Rockwell International, Inc.; and the Virginia Financial Group. The Loudoun County Volunteer Fire Department and Rescue Service, and the Leesburg and Loudoun County Sheriffs' departments all donated time and effort to ensure that the event was safe for all involved. In addition, many balloon pilots donated their prize money back to KIDS. As a member of the board of advisors for KIDS, Inc., I extend my congratulations on an outstanding event to all who worked so industriously and gave so generously to assist children who cannot assist themselves.

EARL DOVE ELECTED CHAIRMAN OF THE AMERICAN TRUCKING ASSOCIATION

Mr. HEFLIN. Mr. President, I have recently learned that a fellow Alabamian, S. Earl Dove of Dothan, has been unanimously elected to serve as chairman of the American Trucking Associations.

Earl, chairman of the board of AAA Cooper Transportation, is a past first vice chairman, vice president at large, and Alabama vice president to ATA. In addition, he has served on the ATA special carrier committee to study the structure of the association, and as chairman of the Dues Restructure Committee.

Earl has lived most of his life in Dothan, and has been involved in trucking most of his life. In 1972, he and his brother brought their father's interest in AAA Cooper, which was founded in 1955.

Besides his involvement with the American Trucking Associations, Earl Dove has served as chairman of the Alabama Trucking Association. In 1982, that group named him to receive their Distinguished Service Award.

Mr. President, Earl has also been active in his community and State. He serves as a member of the advisory panel to the University of Alabama's Chair of Transportation, and is a member of the board of trustees of Mobile College. In 1982, he was named a distinguished alumnus of the University of Tennessee. Earl is a director of the Alabama Baptist Foundation and

is active in the First Baptist Church of Dothan and other civic projects.

Mr. President, Earl Dove has done a great deal for both his State and his industry. His recent honor is certainly well deserved, and I would like to commend my friend for it.

I ask unanimous consent that an article from the Dothan Eagle be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOTHAN MAN NAMED TO TRUCKING BOARD

S. Earl Dove, chairman of the board of AAA Cooper Transportation of Dothan, was unanimously elected chairman of American Trucking Association in Honolulu, Hawaii, Thursday.

ATA is the national federation of the trucking industry, with an affiliate in each state, representing all types of carriers, both private and for hire.

Dove's connections with the trucking industry, at both state and national level, go back many years. Formerly first vice chairman, vice president at large and Alabama vice president to ATA, Dove has been in trucking all his life. At age 14, he took his first job handstuffing freight bills. In 1972, he and his brother, Mack, bought their father's interest in AAA Cooper, which was founded in 1955.

In recent years, Dove has served on two major ATA committees—the special carrier committee to study the structure of the association, and he chaired an outgrowth project, the dues restructure committee.

In addition to serving ATA directly, Dove has been an active participant in the affairs of several of its affiliated conferences. He is a member of the board of governors of the Regular Common Carrier Conference, and is chairman of its Economic Research Committee. He also is a member of the Regional and Distribution Carriers Conference.

In Alabama, Dove has served as chairman of the Alabama Trucking Association after holding each of that group's other elective offices. He was awarded the Alabama Association's Distinguished Service Award in 1982.

Although he was born in Los Angeles, Dove has lived most of his life in Dothan. After finishing high school, he attended the University of Tennessee, from which he graduated with a degree in transportation. In 1982, he was awarded the school's Distinguished Alumni award.

Dove is an advisory panel member to the University of Alabama chair of transportation. He also is a member of the board of trustees of Mobile College.

Dove is director of the Alabama Baptist Foundation and is active in the First Baptist Church of Dothan and other civic projects. He also served in the U.S. Air Force and remains a skilled pilot.

He and his wife, Bobbie, have two sons and two daughters, all grown, and two grandchildren.

A PROFILE OF SENATOR JOHN C. STENNIS

Mr. MOYNIHAN. Mr. President, most Members of this body are relatively new to the decorum and tradition in which the Senate and its work are steeped. After a short time, of

course, we learn the ways of the Senate and adjust to them.

There are those among us, however, who are not new to these grand and historic traditions; they are in fact a part of them. A few of our distinguished colleagues have served here through generations, and to those senior Members of the Senate, we owe our deepest respect.

I was particularly pleased to read in this morning's New York Times an article about the distinguished senior Senator from Mississippi, Senator JOHN STENNIS. This profile of Senator STENNIS pays tribute to the exceptionally fine character and integrity of the man whose wisdom and ability we all know so well. This month, the Senator from Mississippi will pass Richard Brevard Russell's record of 38 years and 9 days as a Member of this body, making him second in seniority only to the great Senator Carl Hayden of Arizona. As that tremendous milestone approaches, I should like to salute our revered colleague from Mississippi. Mr. President, JOHN STENNIS is an inspiration to all of us, and I ask that the article "Wisdom in Judgment, 38 Years in the Making" from the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 4, 1985]

WISDOM IN JUDGMENT, 38 YEARS IN THE MAKING

(By Steven V. Roberts)

WASHINGTON, November 3.—When Senator Richard B. Russell died in office on Jan. 21, 1971, he had served in the Senate for 38 years and 9 days. That record placed the Georgia Democrat second on the Senate's seniority list behind Carl Hayden of Arizona, who held office for more than 41 years.

Today, Senator John C. Stennis of Mississippi occupies Mr. Russell's old office and sits at Mr. Russell's old desk, a huge mahogany table that easily seats a dozen Senators. The office building is named for Mr. Russell, one of the most respected legislators of his generation.

On Nov. 15, Mr. Stennis will pass Mr. Russell's record, and while the Mississippi Democrat takes pride in his longevity, he does not want any fuss made about it.

ALL-AROUND A STATESMAN

"With all deference to everyone," Mr. Stennis said the other day, "Russell was the No. 1 man that I have been associated with in all this tenure in the Senate. He was all-around a statesman and a gentleman and a very able man."

Today, many legislators would use the same words about Mr. Stennis. He is the undisputed patriarch of the Senate, a teacher to younger members and a conscience for the entire institution. He seldom makes national headlines, but he wields considerable influence in the Senate itself. And that influence comes from the quality of his personal judgment, not from the quantity of his television appearances.

Mr. Russell noticed Mr. Stennis in his first year in the Senate, when the young Mississippian wrote a report on a civil rights bill. As a result, Mr. Russell picked Mr. Stennis to lead off the floor debate for the South-

ern bloc, an unusual honor for a junior legislator.

IT WAS UNTHINKABLE

"Well, good Lord, the telephone went ringing around at my office, the press was calling," Mr. Stennis recalled with some glee. "The word had gone out that I was going to open the debate. It was unthinkable."

Within a year or two, Mr. Russell had found places for his protégé on his own committees, Appropriations and Armed Services. "Well, the vacancies were there, and he just filled them about the way he wanted," Mr. Stennis recalled. "He was a great worker, but he needed somebody of similar thought along with him, I think."

Those common ideas included unswerving support for the military, and for the President, particularly in foreign policy matters. Mr. Stennis was shaped by the post-World War II era, before Vietnam and Watergate soured the relationship between the White House and Capitol Hill, and today he says that he never tries to "second guess" a President.

I LEAN WITH THE PRESIDENT

"I lean with the President on our system of Government," said Mr. Stennis, in terms that many modern Senators would consider old-fashioned. "Makes no difference who he is. I would back those fellows on a lot of things."

Mr. Stennis also shared with Mr. Russell a Southern viewpoint on race relations, and he did not vote for his first civil rights bill until 1982, when he was running for re-election. But he has adjusted to the changing climate of his home state and now runs well among black voters.

The Senator has also seen many changes in the Senate, and in his view, most of them have been for the worse. He remembers the Senate of a generation ago as a "well-ordered parliamentary body that operated strictly under the rules."

MORE TIME ON OTHER TASKS

Today, Mr. Stennis asserts, the legislative load in fields like education and health has grown enormously. Constituents are able to hop on an airplane and demand a slice of their Senator's day. And the skyrocketing cost of campaigning causes legislators to spend more and more time raising money.

"So we are not the deliberative body that we were," the Senator added. "It is a rush job all the time."

Mr. Stennis came to a Senate dominated by barons like Mr. Russell, who had patiently worked their way up through the seniority ladder. Now that he is at the top of the ladder, however, Mr. Stennis finds himself surrounded by a new breed of legislators, who refuse to wait their turn or hold their tongue.

"I am not blaming them," he said of his junior colleagues. "They come here on the average well-educated. But they don't have the maturity, if I may use that term. They don't have the experience in public affairs that the old-timer had. It takes time to mature."

NOW THEY'RE BENDING RULES

Moreover, Mr. Stennis added, some of these newcomers have become so adept at "bending the rules" that at times, the Senate seems paralyzed, a giant enmeshed in its own traditions of unfettered debate.

Perhaps, the Senator mused, the lack of maturity on the Senate floor is related to the changing atmosphere in the cloakroom,

the private precinct just off the Senate floor.

"Well, we used to be back there quite a bit and talk to each other, explain bills to each other, ask each other questions about matters they saw in the press, and we would train and educate each other," Senator Stennis recalled. "Well, I was in there not long ago and there were about 14 Senators in there. And there wasn't a soul talking to each other. They were all looking at the television."

HE GOT 60 PERCENT OF VOTE IN 1982

Mr. Stennis faced a stiff challenge for reelection in 1982, but he raised almost \$1 million, made his first television commercials, and would up winning over 60 percent of the vote. Last year, his left leg was removed because of a malignant tumor, but his health seems sound and if he wants to run again in 1988, his seat is probably safe.

Asked for his reflections on his impending milestone, Mr. Stennis replied: "Well, I am proud that I did have the opportunity to become a member of the Senate. I've expressed it one time that my work is my play, and my play is my work. I used to think a man that was in his 80's was an old man, but I've changed my mind about that."

Then his weathered face crinkled into a smile. "I may make a career out of this thing yet," said the patriarch. "I'm thinking about it."

SOUTH AFRICA

Mr. LAXALT. Mr. President, I call attention of my colleagues to one of the best articles written recently in the American press about the situation in South Africa, an article by Ms. Karen Elliott House in the Wednesday, October 30, 1985, Wall Street Journal. Ms. House, the Journal's foreign editor, could never be accused of being proapartheid, as many here in Congress have been labeled because we want to see a peaceful solution to the problems within South Africa wherein individual rights of all peoples, regardless of race, would be protected.

Many in both bodies of Congress have seen the struggle in South Africa simply as a civil rights struggle, reminiscent of problems within our own country during the 1950's and 1960's. Fortunately, as the polls have shown, even polls among black voters, most Americans have been discerning enough to know that there was more there than meets the eye. This sixth sense, which more often than not serves the American people well, is now creeping into the consciousness of many in the House and Senate who voted so quickly for economic sanctions against the South African Government only a few months ago.

I now believe that Members of both parties—and both Houses—are much more willing to consider all the complexities of the situation in South Africa. For that reason, I and my colleague from Wyoming [Senator WALLOP], commend the reading of this article to them.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Oct. 30, 1985]

DON'T PUSH SOUTH AFRICA TO THE WALL (By Karen Elliott House)

PRETORIA.—It's a whole lot easier to exert public political pressure than it is to fashion political solutions.

Nowhere is this so evident as in South Africa today, where the U.S. is trying to put the political and economic screws to the white Afrikaner government to speed the dismantling of apartheid and force the sharing of political power with the country's black majority.

But two weeks of travel throughout South Africa indicates the pressure isn't working. Indeed, it's having precisely the opposite effect. America's political strictures and economic sanctions have simply served to harden the attitudes of those who hold power, to raise unrealistic expectations among those who seek power, and to damage the economic fortunes and futures of the great majority of South Africans caught in between.

There is little doubt that this society and its abhorrent system of apartheid are going to change. Even the most hard-line Afrikaners see the handwriting on the wall and are talking about reaching accommodations that will leave the segregated in some white "homeland" enclave much like those apartheid has created for the blacks. Less militant whites—and there are many more of these—hope for a multiracial society inevitably ruled by the black majority, but with some protection for white and other minorities. The only real issue here is when such change will take place, not whether, and the when is a matter of years, not generations. Yet in its rush to hasten change, America risks pushing the South African economy further along a downward spiral so that there will be little left for the victors to inherit.

CLINGING TO SURVIVAL

Already the signs of suffering are everywhere as South Africa's economy, plagued by continued drought and depressed gold prices, grinds to a virtual standstill. In New Brighton, the bleak, black township near Port Elizabeth, a black man in his 40s has fashioned a makeshift outdoor barber shop from two pieces of rusted metal.

It's midafternoon and the wind is whipping garbage down the unpaved streets as the barber finally gets to shear the head of his first customer. In a good week, the barber earns 20 rand, or about \$8, barely enough to buy a bit of food for himself, his wife and five children. Until a year ago when the construction firm where he worked closed, he earned 200 rand a month. The barber is just one of many clinging to survival in an area where black unemployment is estimated at 60%.

The government has announced a 600 million rand employment program and promises sharp jumps in spending for better black schools and housing. But if these promises are to become a reality, South Africa's economy must grow—and grow faster than the population, which is increasing 3% a year.

Businessmen and government officials all agree that the maximum economic growth possible without foreign investment is 3%.

In other words, just enough to preserve the status quo; not enough to improve the lot of blacks.

To the extent that a bigger slice of the pie for blacks comes at the expense of whites—and it must if the pie isn't expanding—racial tensions are bound to rise. Sanctions and disinvestment cripple the economy, and the greatest pain is borne by its weakest and most marginal members—who are black. This obviously breeds frustration, anger and violence. The violence erodes international confidence in the economy, leading to further reductions in investment that lead to more layoffs, more anger and more violence.

In short, it's easier to sit in America and argue the moral justification for applying economic pressure to South Africa than it is to walk through the streets of New Brighton or Soweto and see the mounting practical effects.

Beyond all this, the U.S. insistence on economic sanctions and disinvestment also is hardening the right wing, which, like it or not, holds the reins of power in South Africa. Enlightened self-interest should lead the government to continue and accelerate reforms. And, in fact, it has. The decisions over the past two years to give the vote to coloreds and Indians, to legalize mixed-race marriages and to allow black labor unions all are due more to internal economic realities than to external pressure. "They [the Afrikaner establishment] discovered they couldn't run the country alone," says Zach de Beer, a director of Anglo American Corp. and a consistent critic of apartheid.

Undeniably, South African President P.W. Botha is a man of limited vision. And he shows little understanding of the seriousness of the economic situation. During a recent interview he repeatedly insisted that the continuing decline of the rand isn't the result of dwindling international confidence in South Africa but rather the result of a rising dollar. (In recent weeks, of course, the dollar has been declining.)

But from all appearances and in the view of many thoughtful South Africans, Mr. Botha is a spent force. He has gone as far as he can go with admittedly limited reforms, which still don't tackle the heart of this humiliating system of racial segregation. Now he wastes his time being bitter that instead of praise, he receives only increased pressure from America. The betting is he'll step aside in a year or so. Given pressures inside the ruling National Party, as well as those from its liberal opponents and the business community, more significant reform seems inevitable though probably still slower than Americans and black victims of apartheid would like.

Regardless, Americans should resist the impulse to try to force a faster pace of change. Already, righteous rhetoric in Congress and presidential pronouncements about the impending doom of apartheid are creating unrealistic expectations among blacks.

And that worries even apartheid's more ardent opponents. "Blacks are getting the idea that external pressure and the non-governability of the townships will give them victory just around the corner," says Helen Suzman, a tiny but tough woman in her 60s who is the longest sitting member of Parliament and the grande dame of anti-apartheid. "The risk is that Western powers are inadvertently encouraging blacks to launch violence against whites, and then the government is really going to unleash its terrible power on these kids."

A young black man on the Student Representative Council of Peninsula Technical Institute near Capetown says, "We're going to bring down this oppressive, capitalist regime faster than anyone thinks." Why is he so confident? "America is with us," he replies.

But American isn't with them. The Marines aren't going to land in Soweto or New Brighton or any other black township if the South African defense forces, mightiest in all Africa, are unleashed on blacks. All they can expect is a rush to the television cameras by congressmen, Reagan administration officials and American business men to deplore from a safe distance the killings of blacks.

Another reason for the U.S. to forswear more sanctions—and sanctimonious rhetoric—is that, historically, pressure hasn't worked very well. Rhodesia survived nearly 15 years of sanctions. Israel has survived more than 30 years of economic and political pressures from much of the world. Whether it's the Soviet Union or Taiwan, Iran or Nicaragua, no national power structures have proved very vulnerable to economic and political pressures from outsiders. Perhaps if every nation in the world refused any commerce or contact with white South Africa the regime would collapse quickly, but that seems far-fetched in a real world in which even black African nations are openly or surreptitiously trading with South Africa.

The U.S. also should drop its insistence that the white government negotiate with terrorist. It's hypocritical to ask South Africa to negotiate with the African National Congress, which vows the violent overthrow of the white government, when the U.S. doesn't press Israel to negotiate with the Palestine Liberation Organization, because it vows the destruction of Israel. Clearly America isn't standing on principle. It's simply letting domestic politics dictate foreign policy. American Jews and their supporters oppose talks with the proviolence PLO. American blacks and their supporters favor talks with the pro-violence ANC. The point isn't that consistency is necessarily an absolute virtue, but rather that negotiating with terrorist is generally a mistake. Like Yasser Arafat, exiled ANC leader Oliver Tambo, safe in Zambia, repeatedly calls for youths to give their lives for the struggle.

INHERIT THE RUINS

The more the U.S. insists on negotiations with the ANC, the more it strengthens the violent extreme and undermines the moderate middle. Indeed, already Mr. Tambo is greeted as a hero at various international gatherings. South African businessmen traipse to Lusaka, Zambia, for a word with the exiled leader, who pointedly repeats his determination to dismantle not just apartheid but capitalism as well. Meanwhile, Chief Mangosuthu Buthelezi, leader of Africa's largest black tribe, the Zulus, is shunned by many South African businessmen and most international groups. Why? Basically, because he's a moderate who, while opposing apartheid, doesn't believe it makes sense to destroy the country in order to inherit the ruins a little faster.

Once the U.S. insists the ANC is the legitimate voice of black Africans, then the ANC becomes the only group with whom the Pretoria government can negotiate if it wants to retain some measure of international approval and investment. Yet the ANC has made it clear it isn't interested in sharing power, just seizing power.

Finally, America must be true to its belief that it is the rights of the individual that

are sacred, rather than the interests of any particular group. South Africa long ago made the mistake of structuring its society on the rights, or lack of them, of racial groups. The U.S. shouldn't participate in schemes that simply transfer power from one racial group to another, while still guaranteeing no protection for the individual—regardless of color.

THE BAILEY BROTHERS: A "POLICEMAN'S POLICEMAN" AND A "SHERIFF'S SHERIFF"

Mr. HEFLIN. Mr. President, I rise today, first of all, in recognition of the recently announced retirement of Leo Bailey, police chief of the city of Florence, AL. Chief Bailey, who assumed his position in September 1974, will step down on December 31 because of health reasons.

During his more than 11 years as chief of police, Leo Bailey has shown that he is truly a "policeman's policeman." When he first took over the Florence Department, it numbered 47 officers. Today, largely because of Chief Bailey's leadership, it has grown to be 92 strong, and is well-known for its effectiveness and professionalism.

Chief Bailey's organizational abilities, leadership by example, and talent for attracting other outstanding law enforcement officers to join him in Florence have all contributed to the positive situation he will leave his successor. The new police chief will find a department where each officer has a great deal of pride in his work and his department's reputation, and feels a part of a dedicated, resourceful, and successful team.

I would like to congratulate Chief Bailey on his many outstanding years of service. In addition, Mr. President, as a native of Tusculum, which is located just across the Tennessee River from Florence, I want to personally thank the chief for all he has done to help make the shoals area an even better place to live.

At this time, Mr. President, I ask unanimous consent that an editorial from the Florence Times and Tri-Cities Daily regarding Chief Bailey's retirement be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Florence Times and Tri-Cities Daily, Sept. 22, 1985]

GOOD JOB, CHIEF

Police Chief Leo Bailey said he's ready to do some fishing. He can certainly leave the Florence police department with a sense of having done the job he was hired to do, and more.

Bailey announced Thursday that he'll retire effective Dec. 31 because of health reasons. He has been incapacitated for several months by a heart attack and a stroke. We are sorry to see him go, but appreciate his putting the good of the department and the city at the forefront of his decision.

Florence owes Bailey a debt of gratitude. During his 12-year tenure, the department has nearly doubled its staff in order to meet the needs of the city. It is a professional department.

And that is the crucial accomplishment during his years. Like all police departments, this one has its ups and downs. But it is a good department. The past dozen years have seen it become even more conscious of its responsibilities to Florence residents. Officers are alert, responsive and courteous in a business where courtesy often demands a superhuman effort. Training is on-going. On the whole, officers are always looking for ways to improve. That adds up to a better department.

Like all good chiefs Bailey has tried to meet the changes that a city inevitably goes through. He has been dedicated to Florence. He put his heart and soul into the work, and his accomplishments are best seen by stepping back and glancing over the years.

The search for a new chief will begin immediately. Whoever gets the job will have a good foundation from which to work, thanks to Bailey.

Mr. HEFLIN. Mr. President, the contributions which the Bailey family have made to law enforcement in Alabama are not, however, limited to those of Chief Leo Bailey, but also include the many achievements of his brother, Sheriff Melvin Bailey of Jefferson County.

Sheriff Bailey's law enforcement career began in 1946, as a member of the Birmingham Police Department. In 1962, after gaining a wide range of experience within the department, he resigned and ran for the office of sheriff. Today, he is working toward the end of his sixth 4-year term, and shows no signs of slowing down.

Sheriff Bailey is regarded as one of the truly outstanding sheriffs in America. On many occasions, he has been called to Washington to testify before various committees on matters dealing with the problems of law enforcement. Just as his brother is truly a "policeman's policeman," Mel Bailey can be accurately described as a "sheriff's sheriff."

During his six terms as sheriff of our State's most populous county, the department has grown to number more than 500 people, with a budget of more than \$13 million. Sheriff Bailey has also stressed the inclusion of new technology in the operations of his department. Under his leadership, the department will move into a new criminal justice building next year, along with the district attorney's office, and the judges of the State's tenth circuit court. The sheriff has also stressed the importance of education in fighting crime, encouraging his workers to seek college and advanced degrees, and setting an excellent example by seeking his own degree in political science.

Mr. President, my home State is indeed lucky to have had the benefits of the leadership abilities of the Bailey brothers, a "policeman's police-

man" and a "sheriff's sheriff." I commend them both on their many accomplishments and their civic dedication. Seldom will you see one family produce two people so outstanding in the same field, and I know all of their family and friends join me in these congratulations.

NOMDA AND OFFICE EQUIPMENT MANUFACTURER AGREEMENT

Mr. EXON. Mr. President, I wish to bring to the attention of my colleagues in the Senate the news of a development which I believe to be a positive step for manufacturers, retail dealers, and consumers in the high-technology business equipment industry; a development which in large measure resulted from the Commerce Committee's consideration of legislation I introduced in this and two previous Congresses.

The National Office Machine Dealers Association, known to its friends as NOMDA, has released a dealer/manufacture statement of principles. This statement of principles was developed by a special task force composed of representatives of five office machine dealer members and six major companies which are associated members of NOMDA.

The statement of principles constitutes a voluntary code of conduct, the purpose of which is to promote, develop and maintain a fair and equitable relationship among manufacturers, distributors, independent office product dealers and end users.

These principles represent a consensual positive step toward the resolution of major concerns addressed by the legislation I have sponsored in three Congresses. Although this legislation has not yet been enacted, its introduction generated intensive review by the Commerce Committee, including hearings at which the relevant issues were examined by witnesses on all sides. Dealers and manufacturers in this great and growing industry were able to examine the issues and see what the various options were for resolving them. With my encouragement and that of several of my colleagues on the committee, both sides have prudently moved toward a resolution of the dispute through voluntary negotiations.

The end-product of these negotiations now assures that dealers know their legitimate concerns are acknowledged by their suppliers, thus avoiding a legislative remedy at this time.

I am hopeful that this statement of principles will meet with wide acceptance in the business equipment industry. I believe that the impressive representation of dealer and manufacturer leaders on the NOMDA task force will contribute to such acceptance. The task force that drafted the state-

ment included representatives of Digital Equipment Corp., IBM Corp., Sharp Electronics Corp., Panasonic Industrial Co., Minolta Corp., and Adler-Royal, as well as Mr. Thomas A. Russo, Sr., NOMDA president, Robert E. Todd, Sr., NOMDA vice president, Mr. Robert C. Goldberg, NOMDA legal counsel, Mr. Bill Matthews, Sr., NOMDA treasurer, Mr. A. Gordon Adams, NOMDA member, and Mr. Paul Williams, NOMDA secretary.

Mr. President, I am very pleased that we have arrived at this point, and I believe it fair to say that we would not have been as successful without the encouragement provided by the legislation I introduced, and by the Commerce Committee's interest in this legislation over the past few years.

I ask unanimous consent that the attached copy of the "NOMDA Dealer/Manufacturer Statement of Principles" be included in the RECORD following this colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. PRESSLER. Mr. President, I rise to join Senator Exon in congratulating all of the office machine dealers and manufacturers involved in developing the new dealer/manufacture statement of principles. I could not be more pleased that the legislative effort we mounted together to address the concerns of the retail dealer community could result in such a widely-supported voluntary program.

I am proud to have had the opportunity to work with Senator Exon and others to address concerns in this vital industry. The Commerce Subcommittee on Business, Trade and Tourism, which I chair, had scheduled hearings on Senator Exon's legislation. However, in light of the recent voluntary agreement between the interested parties, we have canceled those hearings.

I am pleased that the NOMDA task force was able to work out a compromise in lieu of Federal legislation. The problems in this area are very real and have been the focus of congressional debate for 5 years. We have worked long and hard on the issue. I am pleased that, under Senator Exon's leadership, a workable solution was reached.

Many members of the committee participated actively in the hearings and assisted in both airing the issues and developing a solid record. Out of this process came a better understanding on all sides, and a constructive effort to develop a solution. I hope this will be the last time we need to address this issue in Congress.

Some of the major and commendable individual provisions of this voluntary code urge participation in this industry:

To act as reasonable business persons in complying with their contractual obliga-

tions, acting fairly and equitably throughout the course of, and in terminating, their relationship.

To treat the end user in a fair and equitable manner.

To formulate any dealer performance measurement [which often take the form of quotas] upon a fair and rationale business basis. . . .

To [have] the Manufacturer continue to make appropriate replacement parts and manuals available to authorized selling and servicing dealers for a reasonable period of time from the earlier of (a) the date of the product's last sale to that dealer, or (b) the date of the product's general withdrawal from marketing by the manufacturer.

To encourage the avoidance of litigation among parties by voluntary use of alternate methods of dispute resolution [including] the NOMDA Manufacturer/Dealer Relations Committee, arbitration, or any other technique. . . .

These are laudable principles. I am sure that the dealers and manufacturers will follow them faithfully in the spirit of co-operation and good will that has been so prevalent in their negotiations leading to this agreement. Like Senator Exon, I am glad the parties concerned could agree on this articulation of principles. This application in dealer/manufacture relations will avoid the possibility of future congressional action.

Finally, Mr. President, I want to conclude by paying a special tribute to Senator Exon's work in this area. Without his leadership and skillful handling of this issue, this agreement would never have been possible.

Mr. KASTEN. Mr. President, it is a rare privilege to stand in this Chamber and participate in a discussion in which all parties agree that legislation is not needed. This occasion is possible only because of the business leaders who worked so hard to negotiate a solution to the concerns of retail dealers, manufacturers, and consumers in the office machine and business equipment industry, and because of the Commerce Committee members who assisted in and encouraged this effort.

As Consumer Subcommittee chairman, I chaired the committee's hearings on the legislation jointly sponsored by Senator Exon and Senator PRESSLER. I am glad these hearings—and related debate outside the hearing room—contributed to the development of the industry's new voluntary code. Senators RIEGLE and LAUTENBERG deserve credit along with Senators Exon and PRESSLER for their attention to this issue and their efforts to develop the record and help steer toward a solution.

Because the problems highlighted in this industry deal fundamentally with commercial contracts and on-going business relationships, they were particularly well-suited to private, nonlegislative solutions. Over the course of time, all sides came to appreciate this fact, and turned, I'm pleased to say, to serious discussions and negotiations.

The voluntary statement of principles that emerged is a credit to all concerned. We have avoided adding a layer of Federal contract law to the laws that already exist at the State level, and in the process developed a consensual, flexible, living code of conduct that will do more in the long run to maintain business relationships in this industry.

Finally, Mr. President, acceptance of this statement of principles ensures that consumers will continue to enjoy the benefits of the vigorous competition for which the office machine and business equipment industry is noted, while enjoying the assurance of responsible business practices.

EXHIBIT 1

NOMDA DEALER/MANUFACTURER STATEMENT OF PRINCIPLES

These principles are a voluntary code of conduct to guide members of NOMDA—manufacturers, distributors and dealers of business equipment—in their relations with end users and with one another. The purpose and objective of these principles is to promote, develop and maintain a fair and equitable relationship among manufacturers, distributors, independent office products dealers and end users. The principles are as follows:

1. To act as reasonable business persons in complying with their contractual obligations, acting fairly and equitably throughout the course of, and in terminating, their relationships.
2. To treat the end user in a fair and equitable manner.
3. To formulate any dealer performance measurement premised upon a fair and rational business basis, which may include references to established industry indices.
4. To promote maximum end user satisfaction, by having the Manufacturer continue to make appropriate replacement parts and manuals available to authorized selling and servicing dealers for a reasonable period of time from the earlier of (a) the date of the product's last sale to that dealers, or (b) the date of the product's general withdrawal from marketing by the Manufacturer. In addition, if the product is generally withdrawn, then the manufacturer should, after such period of parts availability, make a good faith effort to provide such dealers with a reasonable opportunity to make a final purchase of available parts and manuals.
5. To encourage the avoidance of litigation among the parties by voluntary use of alternative methods of dispute resolution. Such methods could include direct negotiation among the parties affected, submission to the NOMDA Manufacturer/Dealer Relations Committee, arbitration, or any other technique of alternate dispute resolution.
6. To promote, develop, and present educational programs for the improvement of skills and capabilities relevant to the business equipment industry.
7. To keep abreast of the economic conditions confronting the business equipment industry and to support and encourage the use of business equipment.
8. To keep informed of the laws and regulations relating to the industry, and to obey them; to compete vigorously with each other on the merits of their offerings.

SUCCESS OF THE NATIONAL ASSOCIATION OF BROADCASTERS' CAMPAIGN FOR ALCOHOL EDUCATION

Mrs. HAWKINS. Mr. President, there is no doubt in anyone's mind these days about the dire effects of alcohol-related traffic fatalities and untold numbers of families are torn apart by alcoholism and its related symptoms.

But we do have a potent weapon in the battle to keep Americans educated about the dangers of alcohol abuse. That weapon is the media. We live in the media age. Evidence of this is so often seen in complaints that the media control our lives. But we also know that the mass media can be a force of immense benefit when it is turned against our societies problems.

An impressive example of this phenomenon was demonstrated recently by the National Association of Broadcasters. A recent survey of the association's members shows that nearly every responding broadcaster carried alcohol related public service announcements [PSA's] during the period November 1984 through May 1985. Approximately three-quarters of these broadcasters produced their own locally tailored PSA's.

Besides locally produced announcements, the stations contributed free time for the PSA's of local and national groups concerned with the misuse of alcohol. The most often mentioned sources for PSA's were Mothers Against Drunk Driving [MADD], Students Against Driving Drunk [SADD], the National Highway Traffic Safety Administration of the Department of Transportation and the National Association of Broadcasters.

In addition to programming and public service announcements, over half of the responding stations reported active participation in community efforts to combat drunk driving and alcohol abuse. Sixty-three percent of TV stations and 56 percent of radio stations provided nonprogramming assistance to their communities. The most frequently mentioned activities included participation in community groups, dial-a-ride programs, driving-while-intoxicated demonstrations and health fair sponsorships.

In my home State of Florida, radio and television stations were active in promoting positive peer pressure campaigns, and alcohol-free outings for teenagers.

The broadcasters' survey was sent to all U.S. television stations and a random sample of 1,200 radio stations. Both National Association of Broadcasters member stations and non-members were included in the survey. The National Association of Broadcasters serves a membership of over 4,500 radio and 850 television stations, including all the major networks.

This survey demonstrates that together as a nation, we have the will, the drive and the commitment to end the ravaging effects of alcohol abuse, particularly as the problem affects younger and younger people. We as Senators and as parents, are united in our stand to deglamorize drug and alcohol abuse and to save lives.

Substance abuse is adversely affecting us in the workplace and the school-yard. It is a condition which can only be changed by partnership between all sectors of our society. That partnership has begun, and the challenge now is to keep the momentum moving. That is our commitment.

Substance abuse remains too widespread in our society. And we still find that many people try to deny its existence. Unfortunately, it is a problem for all of us. That is why I am so pleased to see that the media shares this concern. Working together, we can tackle the scourge of substance abuse.

AFGHANISTAN: A REPORT FROM THE FRONT

Mr. BYRD. Mr. President, my colleagues are aware that from time to time, I have called for better coverage of the war in Afghanistan by journalists in this country and elsewhere. I realize that coverage of the Soviet invasion is dangerous and very difficult, given that the Soviets resist any attempt to provide honest coverage of their brutal campaign against the Afghan civilians. But the world deserves the truth about this brutality.

Those men and women who risk their lives and travel with the Afghan freedom fighters to bring us the true story of the war in Afghanistan are serving in the greatest traditions of American reporting. Mr. Arthur Bonner of the New York Times is a member of that courageous fraternity. In a stirring report in the October 31, 1985, issue of the Times, Mr. Bonner tells of a 600-mile trek with Afghan freedom fighters who were supplying arms to the resistance.

I encourage my colleagues to read this excellent firsthand account that captures the courage and determination of the Afghan people in their struggle against Soviet domination, and I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 31, 1985]

AN ODYSSEY WITH AFGHAN REBELS TRANSPORTING VITAL FLOW OF ARMS

(By Arthur Bonner)

NEW BAGHLAN, AFGHANISTAN.—Fluttering green pennants over the graves of men and the bones of camels and horses glistening in moonlight mark one of the most dangerous parts of an Afghan rebel trail used to bring

military supplies to the country's northern provinces.

The trail is the most important supply route for the insurgents fighting Soviet and Soviet-backed Afghan Army troops, according to rebel commanders, foreign medical workers and others who have traveled in Afghanistan.

The Soviet and Afghan Government forces, these sources say, are well aware of the route's importance. For that reason, those who use it are subjected to almost daily air attacks and ambushes.

According to foreign military analysts in Pakistan, the supply route passes through areas with the largest concentration of Soviet troops, whose total number in Afghanistan is estimated at 115,000. The journey along the route seemed to indicate that the Russians were unable to stop the flow of rebel arms and ammunition, despite their control of the air and superiority in firepower.

A 16-day, 280-mile journey to New Baghlan, this suburb of a provincial capital 65 miles south of the Soviet border, was the first leg of a nine-week, 600-mile trip through Afghanistan by a reporter in the escort of various rebel groups. This leg of the journey for 35 men of the fundamentalist Islamic Party began at night at the Pakistani border town of Teri Mangal, and the hazards were soon apparent.

With shouts of "Allah akbar!"—"God is great!"—local rebels unleashed harassing fire on two Afghan Government posts at Zazi, in the mountains that mark the frontier.

The column scattered to the safety of ditches and gullies as rebel machinegun tracer bullets streaked through the night, to be answered by the explosion of mortar and howitzer shells from Afghan Army troops. About an hour later, when the battle ebbed to scattered bursts of small-arms fire, the men gathered the pack animals and resumed the march.

The next day, a flash flood from heavy rains in the mountains swept down the valley where the men rested. Horses and supplies were rushed to high ground as the torrent filled a steep gully and spread over the adjacent fields.

The water soon receded, leaving a layer of gray mud on the arms and ammunition that had not been moved to safety. The men wiped off most of the mud, reloaded the animals and set out once more.

HORSE SINKS IN MIRE

The trail turned up a side valley and followed the bed of a river. The horses struggled to keep their footing on hidden rocks as they were pulled and beaten back and forth across a twisting stream with water up to their bellies.

In the dim light of a setting sun, one horse suddenly sank into a mire of mud, water and stones. It struggled to free itself, but its front legs sank deeper under the weight of 250 pounds of ammunition on its back. Its muzzle rested on the ooze, and panic seemed to fill its eyes.

One of the drivers, Ali Khan, 15 years old, plunged into the mud to hold the horse's head up, shouting for help. It took about five minutes for other to reach him to help pull the animal free.

The teen-ager was one of nine drivers who supplied horses to carry nearly two tons of supplies from Pakistan. He later had time to answer questions about himself.

COMMUNIST TRIED TO CHEAT ME

"I did not go to school," he said, "because I had to help my family. My father died

when I was 12, and I had to earn money to help support my mother and a younger brother. I went to Kabul to sell potatoes from the back of a donkey.

"A Communist there tried to cheat me," he said, "and I hit him with my stick and hurt his eyes. I had to leave Kabul. I took up this work and now have two horses."

He said that in the last two years he had been in three convoys that had been ambushed or attacked from the air by Soviet forces. In one, 16 animals were lost, he said, although none belonged to him.

"There is not a lot of money in this," he continued. "I could get another job or go to Iran to work. But we have started our holy war against the Russians. Even small children must take part."

"That is why I started at my age. We are sure we will make the Russians leave our country because God is with us."

OLD FORT ON ANCIENT TRAIL

A halt for rest and regrouping had been called at Dubandi, where an old fort perched atop a ridge, testified that this was a strategic point on an ancient trail across Afghanistan.

"The Russians have tried to drive us out of Dubandi many times," said Ahsen Gul, commander of one of several rebel units in the area.

"Last year they sent in tanks and held Dubandi for three days," he said. "We destroyed some of their tanks and even shot down a helicopter with an antitank rocket by firing down at it from a high hill."

"We forced them to retreat by attacking them from the rear. They can block this road for a while, but they can never close it."

The route ahead, across a wide desert, had to be traveled at night. About 400 men and 150 animals with destinations in six northern provinces assembled in a high-walled canyon.

A RAINBOW OF TURBANS

There was a rainbow of turbans and costumes as old friends embraced and gossiped, camels groaned under their loads and horses whinnied and fought. As it became dark, they separated into their individual commands, ranging from 20 to 100 men each, and set out in a long straight column.

The route had been scouted, but the men knew that a hidden Soviet armored car or truck could speed across the flat wasteland in minutes. They walked silently, listening intently for a distant sound that could mean an attack.

A three-quarter moon rose at mid-night, sending long shadows of men and animals across the white, saline soil and revealing the evidence of past attacks—a group of eight horse carcasses; the bones of horses and camels; scattered packs and bits of clothing and shoes; every now and then, a pile of rocks with one, two or three pennants marking the graves of men who had not made it across.

The night passed uneventfully. At dawn the men straggled into the town of Baraki and scattered among its tea houses to eat and sleep.

ONE OF MANY ANOMOLIES

Baraki is one of the many anomalies of the war in Afghanistan. Although it is a major stopping-off point for the rebels, who call themselves mujahedeen, or holy warriors, it has never been bombed or strafed.

"There are no mujahedeen bases here," said Mohammed Gul, an English-speaking merchant who sold a wide range of modern medicines, with labels from Pakistan, Iran,

China, North Korea and several European countries.

"There are also a lot of spies here," he said. "We suppose they tell the Russians how many mujahedeen pass through and what they are carrying, and so we left in peace."

Baraki, although undamaged by war, was crumbling through neglect. It once had piped water as a result of some long-forgotten foreign aid program. All that remained was an occasional cement post in a lane with a pipe and faucet attached.

CROSSING THE MAIN HIGHWAY

Two nights later the animals were sent ahead and the men and supplies crammed into a truck for another potentially dangerous segment of the journey—crossing the main highway from Kabul southwest to Kandahar. Soviet convoys traveled the road during the day, and Soviet and Afghan Government posts guarded it during the night.

As it turned out, the crossing was facilitated by an unwritten agreement between the rebels and villagers who belonged to the Afghan Government militia and guarded a highway bridge.

The men got down from the truck and walked around the village. The empty truck was driven through the village and a few hundred yards along the highway to a point where the men got in again. They were driven for another 20 minutes along the road before the truck turned north on a dirt path to wait for the horses.

"We could destroy that post and that bridge," said Fazle Rahim, the commander of the Islamic Party unit with which the reporter was traveling. "But the Russians would destroy all the villages in the area and drive the people to Pakistan as refugees."

"Then they would install their own post," he continued. "We need villagers to grow food and give us shelter. We do not want to cause them unnecessary damage."

On the eighth day, Ali Khan and the other drivers were paid. They had supplied 17 horses and received about \$110 for each horse. They got nothing extra for the risks, for feeding the animals or for the time it would take them to return to Pakistan, where they would look for another convoy to give them a contract to return to Afghanistan.

Now the journey was faster, made in a series of Soviet, American and Japanese trucks and buses with frayed tires, dented sides, missing windows and dashboard dials that seldom worked. The men shielded their faces against clouds of dust and got down repeatedly to lighten the load as a truck inched its way into a ravine, bounced across boulders and through a stream and then groaned up the other side.

There was a new face on the war. Earlier, in the border province of Paktia, where millions of refugees had fled in Pakistan, Afghanistan seemed to be destroyed. Irrigation ditches were breached, the walls of terraced fields had crumbled and mud villages had dissolved back to the original earth.

Now as the mountains rose to the central highlands known as the Hazarajat, the country blossomed with life. Farmers drove teams of horses and bullocks in circles over piles of wheat and pitch-forked the trampled stalks high into the air to winnow the chaff from the grain.

MOSTLY LEFT IN PEACE

Apples and peaches ripened in ancient orchards, and children herded goats and sheep on the high hills. The villagers said they

had been bombed and showed ruined houses and craters as evidence. But, when questioned, they conceded that the damage was two or three years old and that they had mostly been left in peace.

The trucks moved openly by daylight, although the drivers and passengers were quick to scatter for shelter in the fields or hills when the noise of a Soviet jet or helicopter sounded overhead. Moving vehicles were choice targets, and wrecks along the way demonstrated that the danger was real.

"I bought my truck through a cousin in Kabul," said 23-year-old Mohammed Hassan, a driver with a karakul hat tilted to the side of his head. "I buy diesel fuel for 20 Afghanis a liter from other drivers who bring it from Kabul." Twenty Afghanis is the equivalent of about 10 cents.

His truck was an American International Harvester, with no hood over the engine and no glass in the windshield. He said it had cost him the equivalent of about \$5,000.

"I had another truck, but it was destroyed by a helicopter last year," he said. "I began as a helper to learn to drive and have been doing this for three years. It is dangerous, but I bought another truck. What else can I do?"

RUINS OF A TOURIST STOP

At Doab, high in the mountains of the Hindu Kush, the truck was halted for lunch amid the ruins of a small resort for tourists on the route to the huge Buddhist images from the third and sixth century hewn in rock at Bamian.

The blue and pink guest rooms of a gutted hotel were exposed to the sky. The walls of a market where foreigners once bargained for Afghan rugs and long-necked brass pitchers were fire-blackened and pockmarked by bullets. A chill wind blew dust down an empty street littered with bed frames and car parts.

Soon the road ended, and supplies were repacked on 22 donkeys to be brought to an assembly point for the final dangerous segment of the journey—crossing the highway that goes from the Soviet border all the way to Kabul.

A pipeline carrying fuel to the Soviet airbase at Bagram north of Kabul paralleled the road above ground. It was the most heavily guarded road in northern Afghanistan.

Once again hundreds of men and animals from different commands and with different destinations waited for nightfall. There were low hills on both sides of the road, making it easier to approach but also easier for the Soviet troops to conceal an ambush party on the other side.

CROSSINGS ARE SPACED

The groups were spaced with intervals of 15 minutes to half an hour between crossings to lessen the danger of surprise.

Suddenly parachute flares shot into the sky ahead and slowly descended on the road. There was a rattle of machine-gun fire and the explosion of shells.

The first party had run into a Soviet ambush. Later it was learned that all of the men had escaped but that almost a ton of arms and ammunition had had to be abandoned.

Trucks took the remaining men and supplies for quick dispersal in villages over a radius of several miles. The commanders would make another attempt the next night, with separate groups crossing at different points.

Mr. Rahim, the unit commander, decided on an additional safety measure. He left his

supplies to be carried across later. One group would travel on horseback while others would go by foot so they could move quickly.

STOPPED BY SEARCHLIGHT

They advanced into the night, over a hill and down the highway. Then everyone froze. A searchlight stabbed the darkness. A Soviet armored car was patrolling the pipeline for possible saboteurs. After a breathless 15 minutes, it moved on and the men and horses trotted forward.

They froze again as the armored car patrolled back, its light sweeping the hills. It moved on, and with a burst of speed the party reached the hills on the other side.

The rest of the night passed quietly. At dawn, as Soviet jets bombed some distant target and the artillery shells could be heard exploding over a hill, the men entered the ruins of New Baghlan, once a fashionable suburb of Baghlan city, now shattered and empty.

After a rest and something to eat, the men would drift to their villages to rejoin families they had not seen for six or seven months, when they had set out for Pakistan for training and resupply.

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

INCREASE IN PERMANENT PUBLIC DEBT LIMIT

The PRESIDING OFFICER. The Senate will now resume consideration of House Joint Resolution 372, which the clerk will read.

The assistant legislative clerk read as follows:

A resolution (H.J. Res. 372) increasing the statutory limit on the public debt.

The Senate resumed consideration of the joint resolution.

Pending: Motion to concur in the amendment of the House to Senate amendment numbered 2, with Packwood Amendment No. 957, in the nature of a substitute.

The amendment of the House to Senate amendment numbered 2 is printed in the House proceedings of the RECORD of Friday, November 1, 1985, at page H9577.

Mr. PACKWOOD's Amendment No. 957, in the nature of a substitute, for the above amendment of the House to Senate amendment numbered 2, is printed in the Senate proceedings of the RECORD of yesterday, Monday, November 4, 1985, at page S14745.

AMENDMENT NO. 961

(Purpose: To consider Medicare as an automatic spending increase program)

Mr. CHILES. Mr. President, I send an amendment to the desk on behalf

of myself, Mr. RIEGLE, and Mr. KENNEDY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. CHILES], for himself, Mr. RIEGLE, Mr. KENNEDY, and Mr. CHAFEE, proposes an amendment numbered 961.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 41, strike out lines 19 through 21 and insert the following:

(iv) For purposes of this Section all payments made under Title XVIII of the Social Security Act for items or services furnished during any fiscal year shall be treated as payments under a provision of law which requires an automatic spending increase to take effect during such fiscal year. The amount of the automatic spending increase (outlay increase) shall be the amount (if any) by which the reasonable cost, reasonable charge, DRG payment amount, or other applicable payment amount for an item or service furnished in such fiscal year exceeds such payment amount for the same item or service furnished in the preceding fiscal year by the same person or entity.

(v) Notwithstanding any other provision of this bill, Medicare payments under the Hospital Insurance Program (20-8005-0-7-572) and the Supplementary Medical Insurance Program (20-8004-0-7-572) shall be considered automatic spending increase programs under Section 204(d)(1).

Mr. CHILES. Mr. President, this amendment would assure that Medicare would be treated as an automatic increase program—category I—as had been originally assumed in the Gramm-Rudman-Hollings measure and in the Senate-passed version.

In the bill before the Senate, Medicare is a category II controllable. That means the size of the automatic cuts for Medicare will be increased.

In the reconciliation bill as reported out of the Finance Committee, and as in the bill, we have provided for cuts in Medicare of \$2.6 billion. We have already cut Medicare to a zero increase in payments now and there would be no growth. If we now have it into category II and we had a sequester this year of, say, \$10 billion, it means we would automatically cut Medicare another \$1.3 billion on top of a full freeze; so we would go beyond zero in the cut this year.

Since we have not gone to conference with the House, we do not know exactly at this stage what our deficit number will be. So we do not know what the size of the sequester will be this year. It is clear there will be some kind of sequester before we finish.

If we have a sequester cut in Medicare, we will see an automatic cut in this program, one that the committee

has never had an opportunity to deal with, and might be something very harmful.

At first, we thought the inflation increase in the program would be the portion that could be cut under the automatic sequester order. Now we find that it can be subject to the broader category II cuts.

Under what was to be an automatic ministerial process, we might have to say to everyone, no matter what else we have done to cut Medicare, this year or in past years, "We simply cannot afford to allow you any increases this year. We will not just bring you to the automatic freeze level. We have already done that, in effect, under the reconciliation bill. Now we will have to cut you further than that."

In our effort to get the deficit under control, we can certainly tell our seniors it is necessary to bring Medicare payments down to a zero increase level this year. We are forced to do that with many programs. We have attempted to do it by trying to place most of the cost on doctors and hospitals and health care providers, while trying not to hit the beneficiaries.

But now we are saying that, "We subject Medicare to a sequester process that can take payments so low that we don't even know what the effect will be on the seniors—the Medicare beneficiaries."

Under our original bill, we treated Medicare no differently from any other entitlement program. It recognized that there were always going to be millions of Medicare beneficiaries out there who were entitled to medical care.

Mr. GRAMM, one of the authors of the Gramm-Rudman measure, talks about this as a "pure concept"; and he says that no program should be exempt because that would violate the "pure concept" of the automatic cut triggers.

Mr. President, I am also dealing with a pure concept of how you treat entitlements under this bill. Medicare is a true entitlement. People pay their payroll taxes. They are entitled to benefits.

Here we have a case of a self-funded trust fund entitlement. This is a very important point—a self-funded trust fund entitlement. Now we are going to treat it as if it is a controllable program, just as we treat any other program that we normally carry through the appropriations process.

We will hear a lot of arguments in the next few hours, it will be interesting to hear those people who say that Social Security should come out of the unified budget. It is a trust fund. It is paid for by payroll tax and withholding on employees, and the employers pay their tax. It is self-sufficient. It is now supposed to be fiscally sound, so we need to move it out of the unified

budget. Some Members would have it out so you could not even count it as part of the overall Government spending. We would not be able to look at it from an economic standpoint to determine how much the Federal Government is taking in total from the private sector; measure the effect of Government spending, and see how much money is left available for capital. You will not be able to see any of that under some of the "purest" concepts.

I think there is general agreement in this body that Social Security should not be used in the effort to balance the budget, but there are others of us who say that it is like taking a picture and blacking out half of it if we take the employees and employers payroll tax contributions and say they have no effect on overall Government spending.

Yet, many of the people leading the charge to move Social Security off budget have not taken a stand on Medicare and whether it should be treated as a controllable. It seems to me that at some stage, when we start talking about the "pure concept" as Mr. GRAMM calls it, there should be some purity in how we are treating these trust funds that are pure entitlements, and whether we are going to treat one totally different from the way we treat another.

I understand very well, Mr. President, the impetus behind this. It is to move \$74 billion—the total Medicare Program—from category I where it can normally only be held to the cost-of-living increase—the "zero inflation"—and move it to category II where you can make considerably larger cuts. That in turn will reduce cuts you are making in other ways.

The Washington Post speaks of this today in an editorial in which they say:

The congressional Republicans have meanwhile moved to alter their version so that there would be an appreciably smaller cut than before in defense; the slack would be taken up by Medicare.

Mr. President, we really need to see that Medicare is more than an equation where you divide the amount of money by the number of sick people and hope that they are healthy enough to get by on the amount of money available.

I wonder about the "pure concept," and what it means. It means that it greatly increases the size of the Medicare cuts which could be made automatically, without any regard to their effect, without any chance to even plan some reforms or other changes that would help ease the impact of the larger cuts.

Mr. President, we have cut Medicare before; and when we did, we also changed the whole method of paying hospitals. If we have to cut reimbursement rates below a freeze—and maybe we will have to do that, to hold down

these medical costs—we should be able to at least anticipate some of the effects that will have on the quality of medical care the Medicare beneficiaries will receive. We need to think that through, and we need to do it through some legislative changes in the program. We might want to get some balance as to how it would affect the whole system of medical care in the country.

If you look at what we have already done to Medicare, you see that it has already been cut \$35 billion, and that is only if you look at the effect of each bill we passed in a 3-year timeframe. Over the long run it is actually much more than that.

In the 1981 reconciliation bill, we cut Medicare costs \$4.3 billion. In the 1982 reconciliation bill, we cut those costs \$12.6 billion. In 1983, we sort of skipped a year; we cut Medicare by only a few hundred million dollars. Because we had the 1983 Social Security amendments that year. But we did put in a new Medicare prospective payment system for hospitals. We made reforms to help meet pressures from the cuts.

Mr. President, that was a major act. It was something we had to do. We went to the so-called DRG's. We went to a total reform of the hospital program. We would no longer just pay a "reasonable" cost. Until then, there had been no restraint on what those costs could be. It was just what any doctor or hospital would establish and then everyone else went up to the average cost. We finally decided to have a prospective payment system in which we would know, for example, the cost of an appendectomy and how many days of hospitalization it would require. That was a very necessary thing. We know it has saved considerable money. We know there are some problems in the straitjacket way that it has been applied, and we certainly need some review. But it was a major change made in the 1983 bill. And it was made by a Congress reforming the program and not just making some automatic whack.

Then in 1984, in the reconciliation bill again we cut Medicare \$5.4 billion and this year the cuts are to be \$12.3 billion over 3 years.

We are not saying that you should never cut Medicare. We are not saying that you should never cut it below a provider freeze but just that it should be done by Congress, by a reconciliation process, by a Congress acting thoughtfully and not by an automatic cut because, Mr. President, this is an entitlement program. This is not one of the discretionary programs. There is a payroll tax that pays for it and the money is there.

If Medicare is left in category II, we would order immediate, unplanned for, automatic, across-the-board cuts

that would be well below a freeze level. That is the problem with putting the whole Medicare Program on the table for automatic cuts rather than limiting automatic cuts to the increases.

It is true that the bill restricts the President's discretion on how the cuts may be made. He presumably could not change the law to eliminate Medicare benefits or change eligibility. But at any significant sequester level, payments for services would be immediately reduced below a full freeze level. There would be no control on the effect of such action. Medicare beneficiaries would still be entitled to care. But who knows how the availability and quality of care would change? It could be a drastic change.

Mr. President, I do not know exactly how this will take place, but I assume that you would be paid either a 90-cent dollar or 94-cent dollar or whatever the cut tended to be, for the dollar that you are supposed to get. We cut a little off of the end of that dollar and we give you a shorter one. We would say you are still entitled to care, you are still eligible, but we expect you to get that care with the shorter dollar.

Again, Mr. President, I stress that what we have had before was congressional action to do something about these health care costs. As a consequence we put in DRG's, prospective payments, some kind of provider limitations, some limitation on lab fees, but not automatic cuts.

I do not argue that we should exempt Medicare. I do not think we should. All this amendment does is to put it into category I. It says that the amount that any provider payment for items and services would have increased over the previous year would still be fair game. We could have an absolute freeze indefinitely, I suppose, if we keep missing our budget targets.

Let me tell you that that would still be very big bucks, given the fact that over the last 10 years medical costs have been rising at the rate of about 14 percent a year. They're down a little now—maybe to 6 or 7 percent. You can see how much would be available. All of that every year would be available under category I.

Just a 1-year freeze on hospital payments this year would save almost \$2 billion a year. So we have, in effect, already done that. The total reconciliation bill in the Senate saves \$2.6 billion this year.

All this amendment says is it is not appropriate to go beyond what is an automatically triggered process. If we are going to go beyond that we should give it some thought in a reconciliation bill and how to do it through legislative reform and we will do it here in Congress.

It also says, Mr. President, we are not just going to now at this hour say we are going to transfer this \$74 bil-

lion out of the pot of category I and put it into the pot of category II where it is available for much larger cuts.

Mr. PACKWOOD. Mr. President, I wonder if my good friend from Florida and I might have just a little colloquy to make sure we are talking about roughly the same budget figures, because I remember in conference the Senate was on the same side and the House seemed to have different figures. So bear with me, if you will, for a moment.

We had initially started out with an assumption of budget deficit this year in the budget resolution of around \$172 billion. Is that right?

Mr. CHILES. That is correct.

Mr. PACKWOOD. And total outlays of about \$965 billion?

Mr. CHILES. I think that is correct.

Mr. PACKWOOD. Unless I am mistaken, having heard the Senator and Senator DOMENICI and Steve Bell, and others, we are probably looking more likely at a \$190 billion deficit or maybe more if we do not do reconciliation.

Mr. CHILES. That depends on who you want to listen to.

Mr. PACKWOOD. That is what I want to get straight before we go any further.

Mr. CHILES. Yes, and I will have to say to my good friend from Oregon that I keep hearing a figure of \$9 billion revenue shortfall and I hear that come from the majority side. But so far I have not been able to find where that shortfall comes from. No one has told me that OMB says there will be that shortfall or CBO says there will be that shortfall, although I keep hearing that number.

So I just want to say to my good friend there are some numbers that are kind of up in the air.

Mr. PACKWOOD. In the Senator's best judgment, how far above \$172 billion deficit does he think we are going to be?

Mr. CHILES. I think the deficit is going to be well over \$180 billion. It may well be above \$190 billion, but I am not sure it is just going to be by virtue of the revenue shortfall. I think there are always other things that are going to catch us out there.

Mr. PACKWOOD. Well, that puts it in the range of what I wanted to talk about.

What we have exempted under this bill, Social Security, interest—I mean exempt, totally exempt; I do not mean category I, I mean category exempt—Social Security; interest; prior year obligations, which, interestingly, are principally not military obligations, in large measure due to the Senator's amendments; other, \$5 billion; and then body of the indexed programs, because those even in category I you cannot sequester them below the body of the amount.

So it looks to me as if you have about \$565 billion exempt from sequestering, out of, roughly, in the \$965 billion budget, assuming we are on budget, assuming we hit the \$172 billion deficit; so, roughly, \$400 billion subject to sequester.

It take it that means that every time we take something that was in the controllable category and put it into category I and make it less subject to sequester or, in the Senator's case, Medicare not subject to it at all, it means those remaining in the control—

Mr. CHILES. I believe the Senator is wrong, if the Senator says "not subject to it at all."

Mr. PACKWOOD. If you assume no increase in Medicare, if there is nothing to operate against, you are going to go on the basis of last year.

Mr. CHILES. Well, I am assuming that you can cut any increase over the previous year's level. Maybe we have already cut it down to near zero this year already for some. Certainly what we are talking about the in the process is that it would be in category I and would be available for cuts. I am not trying to do with Medicare what the authors of the bill decided to do with Social Security and take it off the top.

Mr. PACKWOOD. I understand, that, to the extent there is no increase in Medicare, it will not be subject to any cuts.

Mr. CHILES. Roughly, I believe it would be between \$2 to \$3 billion a year to be available to be cut. Maybe we'll do some of that, or move, in a budget bill before a sequester order.

Mr. PACKWOOD. Are we agreed, to the extent we put anything in category I which might receive less cuts than it would in category II, the things in category II have to be cut more?

Mr. CHILES. I think that follows.

Mr. PACKWOOD. Let us assume we have this roughly \$400 billion against which to take a sequester—and I am just going to take a guess, I am going to take a guess at a \$190 billion deficit and we are going to sequester down, let us say, to \$170—I hope that is not where we sequester. So you have a \$20 billion sequester that you are going to levy across roughly \$400 billion of programs, about a 5-percent sequester. That means you are going to say to programs like emergency food assistance, elderly housing, the handicapped, job training, WIN, Indian education, Head Start, compensatory education, community health centers, migrant health centers, WIC, low-income emergency energy assistance, and on and on and on, which are indeed poverty programs: "You are going to take bigger cuts so that Medicare can take a smaller cut."

And, so long as we understand what we are doing, you have 13 percent of the people on Medicare below the pov-

erty. The rest on Medicare are roughly similarly situated to those on Social Security. Most of them are not in the poverty level.

And I might say that my good friend from Florida will soon, unless he has changed his mind, be following with an amendment on Medicare and AFDC—those are two programs that I just did not read that he wants to move into category I, which means the hit on the remaining programs in category I will get deeper and deeper and deeper.

All I am asking in this case is a matter of equity. When we originally started out with the Gramm-Rudman proposal, we had hoped, I had hoped, that we would leave as much in the so-called pot as possible, the sequester pot, so that the cuts would be reasonably level across the board.

Now, we made some political decisions. We might as well call them that. Social Security was a political decision. It was left out, untouchable; even the increase was untouchable. We left out the increases due to the increase in program participants. If you have 10 people on a program this year and they get \$100 apiece and next year you have 11, we do not hold the program at \$1,000 and say, "Divide it among the 11." We say it could go up to \$1,100.

We left out the railroad-Social Security equivalent benefit amount, the parts that are equivalent to Social Security, and we left out the earned income tax credit for a very good reason. The earned income tax credit is designed to encourage those that are near the poverty line to work and, up to a certain amount, they get an earned income credit. It is refundable, but a credit. Assuming you owed \$1,000 in taxes and you were entitled to a \$500 earned income credit, you would pay \$500. Assuming you were entitled to the \$500 credit but you owed \$300, the Government will then pay you back \$200. And we thought it unfair that you sequester the \$200 payback because you had not earned enough money against which to offset the entire credit to which you are entitled. So we exempted that from the sequester.

Those are the five principal things that are exempt. There are dozens and dozens of other programs exempt that I have not found any argument about. The Federal Deposit Insurance Corporation, what if you have a 10-percent sequester and somebody has a \$10,000 savings account and the bank goes bankrupt? Do you say we are only going to pay you \$9,000, even though there is the money in the fund to pay the full \$10,000? We did not intend that. I have not heard anything about those programs being exempt.

I believe what it comes down to on Medicare is, do you want to take a program—an expensive program, albeit a

good program and deserving—that affects principally the middle income taxpayers in this country and say: "We are going to put you into a slightly preferred status in this program at the expense of those who are infinitely poorer and more needy, who will be left in a less-preferred status in this program and, therefore, will suffer a greater hit if there is sequester than they would otherwise suffer?"

Mr. CHILES. If the Senator will yield on that point, I am not sure that the figures actually bear that out. The figures I have from CBO would show that if you transfer Medicare from title I, where you would have that money going into the title I pot, to title II, you will have a higher cut on the domestic programs that are in title II because you will not get even close to your 50 percent under title I, and so you would have a higher cut.

Mr. PACKWOOD. I believe that is what I am saying. You will have a higher cut under domestic programs in category II.

Mr. CHILES. No. If you transfer it from title I, category I, to title II, as you have in this latest version of this bill, the cuts will be higher. If you leave it in title I, the cuts in the domestic programs will not be as high, but that does not turn out to be true in the defense category.

Mr. PACKWOOD. The Senator lost me switching back and forth between titles and categories. But I believe you were assuming, first, a rather large increase by the Secretary in Medicare and, second, a very itty-bitsy, teeny-weeny sequester of \$5 billion to \$10 billion or less which, by any estimate I have heard so far, unless we adopt a figure much higher than the House has been suggesting, we are going to have a sequester of sufficient size that, on the average, the programs in category II, those that are totally controllable and totally not either exempt in the Social Security sense or exempt in the COLA sense, they are going to take a bigger decrease for every program that you move out of that category into category I.

Mr. CHILES. I would just say that with the figures that I have from CBO, that if you transfer Medicare into title II, the increase in the total domestic cuts, in a \$10 billion sequester, will be \$.5 billion and that means basically a 9-percent increase in the size of the domestic cuts.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. PACKWOOD. Mr. President, I yield such time as the Senator from Texas may need.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I would like to begin in opposing this amendment by outlining what the House did in moving in exactly this direction,

and why it creates a tremendous inequity problem. I would like then to outline how Medicare works, something that the distinguished Senator from Florida has not done, since he would have us believe that this is an indexed program and, therefore, it fits in category I which is not the case.

Then I would like to talk about Medicare, who it serves, and what we are talking about in terms of a potential reduction. I am hopeful that those who are listening to this debate will reach the conclusion that this amendment should be defeated.

First of all, the House faced a very difficult political problem in putting together a Democratic consensus. And in trying to do that, they tried to put together a coalition by granting special exemption to programs that were sensitive to various constituencies within the Democratic caucus. For those urban Democrats, the House exempted most of the social programs from the sequester process from any automatic cuts.

For the rural Democrats, it exempted CCC, and the great majority of the farm programs from across-the-board reduction. For the defense Democrats, it exempted prior year defense contracts.

So in a peculiar political compromise they exempted the B-1 bomber, the CCC, and community health centers. That left only one problem. And that was there were those who tried to add the thing up to determine what the impact would be on what was left in the pot because exempted were the social programs, the vast majority of the farm programs, and defense contracts. Whereas, in rough ballpark figures to make the arithmetic simple, we add about \$500 billion in the pot to be sequestered in any automatic reduction process. They ended up as a result of all these exemptions to satisfy the different special interest groups only about \$250 billion in the pot.

And the problem with a \$25 billion sequester order would mean the things that remained in the pot in the House bill would be cut twice as much as they would be in the Senate bill. That created an additional problem. That problem was that programs like the National Institutes of Health, and the veterans' health care system would be cut twice as much under the House program on any sequester order as it would be under the Senate program because the House exempts so many programs.

As it turned out, what the House did to deal with this is they fell back on the constitutionality issue. My colleagues may remember the first criticism of Gramm-Rudman-Hollings by Chairman RODINO was that it was unconstitutional because it included CBO, and under the Buckley versus Valeo decision the Supreme Court had

ruled unanimously that no executive action can be predicated on the findings of a nonexecutive agency. In fact, that argument was made by scholars from the Harvard Law School in conference.

But when the Democrats added up what they had done in the House, and found because it exempted so many programs they were going to decimate the remaining, they wrote their bill to say that CBO shall be not just an equal partner with OMB but it shall be the dominant partner, thereby under their logic making the bill unconstitutional. Then the House added the extraordinary provision that if any part was struck down the whole bill was struck down.

They dealt with a problem they created by exempting so much by guaranteeing these who added up everything that do not worry about it, it will never happen because we have expedited judicial review, and it will be struck down within a month. That will be before any sequester occurs.

That is relevant to this debate because the Democrats in the House found that by exempting all their programs they created as unworkable process, and they had to try to deceive the American people by making it unconstitutional, and having an expedited judicial review to kill it because they never wanted it to go into effect.

The proposal we have here is to exempt some \$70 billion from the sequester process. Our colleague from Florida says, we are not exempting it because we are going to hit the automatic increases. There are no automatic increases. There is no indexing of Medicare. Anybody who is familiar with Medicare knows that any increase granted to the providers is based on a finding that is made by the Secretary of HHS.

In fact, on the basis of those findings the Secretary of HHS granted no increase this year, and in fact found that under our prepayment program many DRG categories were probably overvalued. And the Secretary in fact has the ability under existing law not only to not grant an increase, but to reduce the level of spending back by as much as 4 percent.

So this program is not an indexed program, and does not belong in category I. I think it is clear that in the kind of tight budget process we face should this bill be adopted—and I hope it will be adopted—there will probably be no increases granted during this period to providers. But to push Medicare and \$70 billion—the portions that are not indexed, the 3 percent that is indexed, we already have it in category I—that are not indexed in category I is to, in essence, exempt them from this process.

Who are the beneficiaries of Medicare? The beneficiaries of Medicare are people who qualify as being elder-

ly, but who are not poor. The poor people are qualifying under Medicaid. In fact, the last census found the rather extraordinary result that the people over 65 in this country have a higher real disposable income than people under 65, and they have a net wealth of about three times as much. But that is not relevant to this debate. The reason is we are not cutting Medicare benefits.

Who is really being protected by the Chiles amendment? Not my momma who qualifies for Medicare, and pays the part B premium, because my momma is going to continue to qualify. Protected is the doctor, and the hospital, because what we are talking about here is not benefits but we are talking about providers.

What the Chiles amendment really says is this: If you have a \$25 billion sequester order, cut the veterans' health care program, cut the National Institutes of Health, cut the thousand-and-one programs that provide benefits to people but do not cut the reimbursement to doctors, do not cut the reimbursement to hospitals even if we face a fiscal crisis. Cut back on AIDS research, deny benefits to people who fought and died for the country, but do not reduce the amount of reimbursement for doctors and hospitals.

The only reason this amendment is even credible for debate is the fact that people are confused about what it means. They are confused about what it means because when you say Medicare, you think of momma. On this amendment, do not think of momma. Think of the doctors, and think of the hospitals because that is what we are talking about here. We are talking about reimbursement.

Let me remind my colleagues that we are talking about a sequester order after this first year, which we are trying to work out with the House in some reasonable manner. After this first year, an across-the-board reduction only occurs if we do not do our job. If we fail to do our job, then there would be an across-the-board reduction.

This amendment should be rejected for several reasons. Let me summarize them.

No. 1, it should be rejected because there is no logic in exempting reimbursement to health care providers from reductions that will be imposed on every other on-budget program under this bill.

No. 2, the logic of this amendment is fundamentally flawed. There is no automatic cost-of-living increase in Medicare. The level of increase to the providers is dictated by two things. The primary factor is eligibility. If more people become eligible for Medicare, they are going to be provided the benefit.

The Senator is not suggesting that we cut back on those increases because

that would violate other parts of this bill where we clearly protect the person who is qualified for an entitlement.

Therefore, only if an increase were granted, an increase that was not granted last year, an increase that clearly will not be granted next year, only under those circumstances would there be any savings whatsoever.

The truth is that Medicare is a non-indexed program. It belongs in category II. Do I want to deny physicians the payment that they are getting or that they might get in the future because of increases? No; I do not want to do that. But I do not want to do the thousand and one other things that would be dictated by a sequester order either, and I cannot justify exempting the doctors and not exempting all the other programs that are at least of as high a priority in terms of the preference of the American people as reflected in our budget process.

So, Mr. President, this amendment ought to be rejected because, No. 1, relatively speaking the doctors and hospitals have no stronger claim to exemption than do literally thousands of other programs. In fact, they are weaker claims.

No. 2, and I remind my colleagues of this point and it will be a point made all day long, if you take \$70 billion out of the pot, if you exempt the doctors and hospitals under Medicare from being affected by a sequester order, you are not letting anybody escape without somebody else being affected. If we have a sequester order, what that will mean is that the reductions that doctors and hospitals would have shared in will now be borne totally by those whose programs are left in the pot.

I remind my colleagues that if we follow the prescription of the Senator from Florida and take out the largest of those programs to begin with, we open the floodgates. We will end up like the House bill where the sequester pot, where the across-the-board reductions would be made, is roughly half the size of ours so that a relatively small overage literally decimates the programs that remain because we have granted special exemption to other programs.

The only fair way to do this is to keep everything that is on budget in the pot.

Social Security is a freestanding trust fund. We made changes in 1982 to put it in the black. It is not part of the program. This Senator has voted for reductions and reforms in Social Security as much as any Member of this Congress and, in fact, has authored many of those changes to deal with inequity in people getting benefits who were not qualified and not worthy. So I think I stand as firmly on the Social Security issue as anyone.

But that decision has been made. Social Security is off budget. It was taken off budget in 1982 in the Social Security compromise. All we do is take it off budget now and we will have to deal with Social Security as a free-standing problem. If it has problems in the future it cannot come to general revenue.

If we begin exempting major programs that have no claim to be exempt, then there is no way we can hold back the floodgates of other programs that are equally worthy. That goes back to the logic of the Gramm-Rudman-Hollings proposal.

If everything on budget is in the pot, then the process is fair because it hits every program and it hits it in proportion to the priorities that we set out.

The bigger that pot is, the smaller the impact. The better job we do, the smaller the impact.

Therefore, I urge my colleagues to reject this amendment and to make doctors and hospitals as subject to this process as any other element in the budget. I think it is critical that that be done.

I think if this amendment is adopted we stand a very real danger of opening up the floodgates to broad-based exemptions that would destroy the very fabric of this bill and will eliminate the clear fairness, including everything, keeping the pot big, spreading the burden if Congress and the President do not do their job.

I personally believe if everybody's fat is in the fire, if every ox is eligible to be gored, that each of us will have an incentive to make the budget process work, to compromise in the budget, to deal with the deficit, and to prevent an across-the-board sequester from occurring.

But if we fail to do that, it is critically important that the sequester be as big as possible and that every program share equally in that cost and in that burden.

So I urge my colleagues to vote no on the Chiles amendment and to preserve the basic structure of the bill that we voted for in this body by a vote of 75 to 24.

Mr. BINGAMAN. Will the Senator yield to me for a question of the Senator from Texas?

Mr. CHILES. I yield.

Mr. BINGAMAN. We have talked about tradeoff and discretionary spending and the Medicare Program. I notice this week's Congressional Quarterly has a reference in here to the Senate Republican conferees engineering their bill to minimize defense cuts at the expense of Medicare.

I also noticed in an editorial in the Washington Post today the statement that Republicans have moved to alter their version so there would be an appreciably smaller cut than before in defense and the slack would be taken up by Medicare.

I would be interested in a response to that.

Mr. GRAMM. I would be happy to respond. May I clarify?

We are on the time of the Senator from Florida?

Mr. CHILES. No. I am yielding for a question over here. You are on your own time to answer.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. How much time remains?

The PRESIDING OFFICER. Forty minutes, fifty-two seconds for the Senator from Florida and 31 minutes to the Senator from Oregon.

Mr. PACKWOOD. I yield to the Senator from Texas.

Mr. GRAMM. Let me respond by saying that we talked about this issue when the bill first came to the floor, the issue of Medicare. There was a dispute at that time as to what the technical language of the bill meant. All three authors of the bill said that it was their intention to include Medicare. What we have done in conference is to further clarify that intention.

Any Member of this body had an opportunity to offer an amendment at the time it was exempted and no one did.

Let me say that we have further clarified the language on defense contracts to assure a broader degree of coverage. I do not want to say that people writing editorials do not know what they are talking about. I will let people listening to this debate and looking at the facts draw that conclusion. But the point is that it was our intention to include Medicare in the first draft. I believe it was included but the language was not good. It is clearly included now.

What we did in conference was move in exactly the opposite direction by going to a broader definition to allow us to effect more prior-year defense contracts and, in fact, in conference we increased the proportion by which defense would be affected.

We currently have under our sequester pot a situation where slightly over half of the reductions will be borne by defense. As best I can figure under the House proposal, about 70 percent of those reductions would be borne by defense.

I know of no substance to substantiate the claim of the editorial that the Senator has alluded to that we have in any way shifted the burden in conference. In fact, I believe it has been shifted the other way.

The fairness of our program from the first time we started to debate this is that by including everything, about 50 percent of the burden falls on defense and about 50 percent on nondefense. It is the only way I know to deal with the problem.

The PRESIDING OFFICER. Who yields time?

Mr. DURENBERGER. Mr. President, I ask the Senator from Florida if he will yield me 10 minutes.

Mr. CHILES. I yield 10 minutes.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that I be made a cosponsor of the Chiles amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, let me begin by expressing my appreciation to the Senator from Texas for the opportunities he has provided this body and the country, and the challenge that his argument has just put before us to date. Let me say also, in that regard, that I do not buy any of the arguments that he has made.

I listened to the chairman of the Finance Committee talk about the problem of the pot. I listened to the Senator from Texas talk about the problem of the pot. Frankly, I think the pot is a crock. I think the problem we are facing is that we have not cut the people of this country in on divvying up this pot. I know that is a frustration of the Senator from Texas and the Senator from Oregon and a whole lot of other people. They are trying to get to the point next year when we can cut the people of this country in on the pot in advance of the sequestering procedure.

I would like to think it is the intention of Gramm-Rudman never to have to sequester, but if we have a process that will do that, when we all get together and decide we need to cut the balance or need to cut the deficit, the whole country will get involved in a process called the first budget resolution. Then there's reconciliation and a variety of other things that used to go on around this place, as a part of the basic reform of how we finance the Government.

Having said that, I would like very much to demonstrate my sympathy for the problem that my colleagues have in coming to an agreement with the House, because it is the guys from the North that are trying to save this, and the guys from the South trying to save that, and the farmers saving this, and the city folks saving that. They have not asked the city folks yet what they would like to save and they have not asked the farmers what they would like to save. There are a lot of presumptions around here about why Social Security cannot be in the pot, why interest, prior-year obligations, et cetera, et cetera, cannot be in the pot.

I just want to argue today that Medicare should be in the pot but not to the extent that my colleague from Texas and my colleague from Oregon argue that it should be. As they very well know, and many of my colleagues

know, I took the view that if we were going to exempt Social Security and its trust fund expenditures from Gramm-Rudman in the first place, we ought to exempt all of the trust funds—disability, Medicare, everything else—no exception. I withdrew from that position on the promise that all we would have to sacrifice with regard to the Medicare Program—and it would be a substantial sacrifice—would be the program that we put into effect in 1983 to index certain payments under part A to hospitals and other providers in this country and potentially certain payments to physicians for medical services, also. That, in effect, was the deal that I thought we had made—those of us who were part of the Medicare reform movement, those of us who have already helped save \$30 billion for the taxpayers of this country, those of us who have already made the major contribution to deficit reduction over the last 5 years.

At the expense of hospitals, yes; at the expense of doctors, yes; and also at the expense of 36 million elderly Americans. But we had a cause and we have a cause. The cause is to permanently reduce the costs of going to a hospital, a doctor, for all people in this country not just the elderly.

What we took—and I say to my colleague from Texas, he is absolutely right; there are no such things as automatic indexes because the Secretary of HHS can determine there will be no index adjustment. But let me remind my colleagues of why we put those indexes in there in 1983.

We put them in there not to do what typical indexes do—that is, rip the roof off the increase in expenditures. We put them in there to stop the automatic increase in expenditures. Before 1983, all the hospitals had to do was bill the taxpayers of this country through the Medicare Trust Fund for anything they pleased: Your want to buy a CAT scanner? You have got a CAT scanner, send the bill to Medicare. You want to buy two magnetic something or others for \$70 million apiece? Buy it, send the bill to Medicare for anything you want in your hospital. You bring the folks in on Thursday, take the toenail off on Monday, let them stay an extra week, charge it to Medicare.

We had a cost-based reimbursement system here that was going up at least 20 percent a year. That is the way payments were going up until 1983, when in its wisdom, this body, on behalf of not only the elderly, the doctors, and the hospitals, but everybody in this country—particularly the young folks of this country who were getting stuck with 14 percent of their payroll to finance this Medicare system—said: Put indexes in there in lieu of cost-based reimbursement system. Let us tell the hospitals of this

country that if they put into effect these prospective payment system reforms, where you put a price up ahead and the best provider meets that price and does the job for the least cost, then you can bring down this cost of health care. Then we promise you that we will not take all of the profit away from you. In effect, we will guarantee you that your increases for your payments each year, instead of being 22 percent or whatever you bill us under cost-based reimbursement, we will agree to reimburse you at the cost of the medical price index, between 5 and 5.5 percent.

We said, we will give you at least that much of an increase over the next 3 years as we phase this system in. So we brought them down from 22 to 5 percent. And the Secretary in her wisdom, and OMB, and others said, we can take it down even further, so they have been playing games with the programs to try to get it down.

But forget that. The index was a way to save money for everybody. We offered to put that index in the pot. We said, go ahead, take that with it, we will sacrifice the additional Medicare, but no more. You cannot expect them to take zero. They were taking 22 percent. You cannot expect them to go below zero. Do not ask them to do it. Otherwise all of this reform, all of this cost decrease, all of these incentives we have been trying to build into this system will go to pot, literally, or crock as the case may be.

I do not want to take more time on this issue, except to say that I do know something about Medicare. In fact, I know a whale of a lot about Medicare. I know who the beneficiaries are. They are all of us. But in particular, I do not want to make an argument on behalf of my parents; I want to make an argument on behalf of my kids, because those are the people we are trying to save by reducing this amount. And I say to the Senator from Texas, you kill that reform by putting all of Medicare in that pot of yours taking care of defense—and the Senator from New Mexico is absolutely right, the Republicans always take care of defense—and you are going to have to answer to those kids; not to the elderly, you are going to have to answer to those kids.

Mr. HEINZ. Mr. President, will the Senator from Florida yield me 5 minutes?

Mr. CHILES. I shall be happy to yield 5 minutes.

Mr. HEINZ. Mr. President, I commend the Senator from Minnesota for his knowledge about the Medicare Program and his leadership in reforming that program so that it has become a significantly more efficient program. I also commend him for his foresight in seeing where our failure to come to grips with that program might have brought about its demise,

as its cost outpaced the willingness or ability of the taxpayers to continue to pay for that program and his leadership in moving Congress to adopt a system of cost containment for the Medicare Program.

The Senator also correctly notes that earlier this year, the Senate went on record in support of my resolution to take the Social Security Trust Funds out of the unified budget by a vote of 77 to 22 in an action which would have secured the Social Security Trust Funds from any involvement in the budget process.

This amendment would have safeguarded the trust funds from either the reconciliation exercise that we are going through annually or from the sequestering process that is proposed for many categories of expenditures in the Gramm-Rudman bill.

Mr. President, one of the reasons I pressed that legislation on the Senate was that although public support for the Social Security system is high, although people believe—and correctly—that it is largely an efficient system, people—especially the members of the baby boom generation—are beginning to worry about whether or not that Social Security system is going to deliver much if anything to them when they retire in 20, 30, or 35 years.

It is my view that continued attacks on the Social Security system in the name of deficit reduction is undermining public confidence in that regard. And Medicare is an integral part of that system. Specifically, part A is the largest part of the Medicare Program and it is trust funded.

Mr. President, that is why I welcome the opportunity to support the amendment offered by my distinguished colleague from Florida to move Medicare back to a category I program.

Mr. President, when the Senate first considered the Gramm-Rudman-Hollings package, Medicare was classified as a category I program; that is, a program generally considered to receive annual increases in funds to meet its obligations to its beneficiaries. For category I programs, only inflation increases in payments to providers would be subject to automatic cuts under a sequester order. Medicare was placed in this category because it was considered to be a Federal program "indexed directly or indirectly, whether appropriated or contained in current law" (see text of Gramm-Rudman amendment, CONGRESSIONAL RECORD, October 3, 1985, S12589). The status of Medicare as a category I program was also reaffirmed in an October 21 Budget Committee staff memorandum in which Medicare is explicitly listed under category I programs.

Mr. President, I ask unanimous consent that the list prepared by the majority and minority staffs of the Senate Budget Committee, showing all

programs considered to be in category I, be included in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PROGRAMS INVOLVING AUTOMATIC SPENDING INCREASES (CATEGORY 1), AS DEFINED BY SENATE STAFF

Rail Industry Pension Fund (excluding limitation on administrative expenses).
Supplemental Security Income.
Veterans' Pension.
Veterans' Compensation.¹
Civil Service Retirement (excluding limitation on administrative expenses).
Military Retirement.
Foreign Service Retirement.
Public Health Service Retirement.
Coast Guard Retirement.
Federal Judiciary Survivors Benefit.
United States Presidents Pensions.
CIA Retirement and Disability.
Federal Reserve Board Employees Retirement System.
Comptrollers General Retirement System.
Tennessee Valley Authority (TVA) Retirement System.
FECA (Worker's Compensation for Federal Employees).
Food Stamps.
Child Nutrition.
Supplementary Medical Insurance.
National Wool Act.
Black Lung Program.
Special Benefits for Disabled Coal Miners.
Hospital Insurance (excluding limitation on administrative expenses).

Mr. HEINZ. Mr. President, under the Packwood substitute to the House-passed version of Gramm-Rudman-Hollings, Medicare is treated as a category II, or "controllable" program. This is being done principally to ease the budget impact of future Presidential sequester orders on the Pentagon. By moving Medicare to category II, Congress would be subjecting Medicare in automatic sequester orders to cuts well below the freeze levels, not just to cuts in inflation adjustments. The uniform percentage reductions of such sequester orders would be made even if Congress had already passed a law, or the Secretary had already issued a regulation, to freeze Medicare provider reimbursements at the previous year's level. In short, this treatment of Medicare opens up the program to major uncertainties about the amount and method by which hospital and other provider payments could be reduced under the Gramm-Rudman-Hollings measure.

Mr. President, Medicare has experienced substantial budget cuts over the last few years. For fiscal years 1986-88 as part of just the fiscal year 1986 budget process, the Senate Finance Committee has voted to cut the Medicare Program by nearly \$11 billion. The Senate Aging Committee and other committees of Congress have found that problems may be develop-

ing with the quality of care as hospitals pare down their services in response to cuts in Medicare payment. In addition, we know that Medicare beneficiaries are being asked to spend more and more out of pocket to pay for the cost of their health care.

By placing Medicare into category II, Mr. President, Congress increases the likelihood that the burden on beneficiaries will grow worse. While there is language in the Packwood substitute protecting category II programs from any direct increase in beneficiary copayments, deductibles, or premiums through a Presidential sequester order, it is inevitable that any cuts to providers will be passed along to beneficiaries.

Senator CHILES' amendment would return the Medicare Program to category I. It does not exempt Medicare from the pain of deficit reduction because Medicare would still have to bear its fair share. But the Chiles amendment would prevent fundamental changes in the Medicare Program from being made through a Presidential sequestering order, rather than through the normal legislative process.

Mr. President, I suggest that those who prefer Medicare to be a category I program, and who maintain that by adopting the Chiles amendment we in some way limit them cuts to Medicare, should amend category I to permit the sequestration of discretionary cost-of-living increases for programs like Medicare. That it seems to me would solve the problem and might ease some of the pain. If the Chiles amendment carries, someone might very well want to do that, and it might be an amendment I could well support. But I cannot support leaving Medicare in category II because, among other things, I just do not know what would happen. What is going to happen?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HEINZ. Will the Senator yield 2 additional minutes?

Mr. CHILES. Yes.

Mr. HEINZ. I thank my friend and colleague from Florida. I have been trying to figure out how the hospital or the doctor would react when we reduce their reimbursement 10 percent, 5 percent, 15 percent, pick a number, below what it had been the previous year. I suppose in the case of a for-profit hospital, they would make less profit. In the case of a not-for-profit hospital, which is not making any profit, I support they would shift the costs to other patients, some who might be able to afford it, some not. Some hospitals might not be able to pass that on simply because of timing problems, and we do not exactly pay up front. We are a little slow paying here in the Federal Government. I guess unless we get the debt ceiling out of the way one of these days soon

we are going to be very slow paying indeed.

Many of the not-for-profit health care providers and hospitals already find themselves in a substantial bind. So I see, Mr. President, some very difficult choices being made if we do not adopt the Chiles amendment.

I know that there are others who want to speak so I will not belabor this point further. In closing, I do believe, that in adopting the Chiles amendment, we will be absolutely true to both the letter and the intent and the spirit of Gramm-Rudman as it passed the Senate the first time. I am committed to Gramm-Rudman as it passed the Senate the first time I think that a deal is a deal. It was a good deal when we passed it and we should not try to undo it.

Mr. President, I am pleased to be able to join my distinguished colleagues from Florida in supporting this most needed amendment to ensure a safe future for Medicare. I am happy to make this a bipartisan effort and I hope that my colleagues on this side of the aisle will join forces with Senator CHILES to pass this amendment.

Mr. President, I ask unanimous consent that I be added as a cosponsor to the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield as much time as the Senator from New Mexico may want.

Mr. DOMENICI. Mr. President, for purposes of making sure I know where we are, could I be advised at 5 minutes? I yield myself 5 minutes.

Mr. President, first let me say to my friend, the junior Senator from New Mexico, who asked the question, allegedly Republicans changed the bill. I do not think that is the case. I think at best one could say there was confusion as to whether this was I or II but I do not think this was a Republican approach. I think you will find that of the conferees a compelling majority of both Republicans and Democrats favored putting it in II and we will find that out when we vote because I believe a number of those from both sides of the aisle, which will be a compelling majority of the conferees, decided to clarify this and put it in II.

Mr. CHILES. Will the Senator yield at that point?

Mr. DOMENICI. I am pleased to yield on the Senator's time.

Mr. CHILES. I will be happy to yield on my time. I am the first one to say that the Senator from Texas might have intended something else, but I think it was pretty clear by our staffs and by CBO as the bill went out of the

¹ H.J. Res. 372 explicitly requires that Veterans' Compensation be treated as an automatically indexed program.

Senate we all knew how it was going to be scored. If we go back to the conference and see how many times Mr. Bell was asked where was Medicare, it was in category I. If we look at the documents, major substantive amendments—this is the majority's House substitute—it is listed as a major substantive amendment. It says, "Specifies precisely the acts to be considered in the automatic spending increase. Medicare has been moved from this category to category II." So to say that it may have been somebody's intent is one thing but it is pretty clear, is it not, that it was in category I? The staff said that, the majority staff, CBO staff said that. Everybody that scored it said that and now there was a decision made, made by the majority, we want to move it. And you have the votes; I guess you can make that decision.

Mr. DOMENICI. I thank my good friend. Let me stand on my statement and indicate that this amendment is not a Republican amendment. I believe the distinguished Senator from Louisiana [Mr. LONG] favors it. I may be mistaken but I think the distinguished Senator from Texas [Mr. BENTSEN] favors it. That is the only point I am making. I believe we attempted in conference as part of clarifying many different proposals to put it in category II. If that is a major change, so be it. Let me try to defend it at this point.

First of all, everyone should know that part B of Medicare is not a trust fund in the sense that the money comes from the payroll tax that the American people and the young people—about whom my friend is worried—pay. As a matter of fact, this year, the general fund of the United States will put \$19 billion of general fund tax money in Medicare. This appropriation is necessary because premiums paid by beneficiaries cover only 25 percent of the cost of Medicare part B—the part that pays for physicians and other providers. We, as a nation, must pay the other 75 percent from several revenues.

What else have we done? We have excluded Social Security for the senior citizens, regardless of income. Social Security recipients are going to get their checks and they are going to get their COLA increases without change.

We should make sure on the record that it is generally understood that only about 13-percent of Social Security beneficiaries are within the poverty level, and all the rest are not poor. Yet, we have taken them off and are saying that they are going to get their checks and their increases.

In addition, the Senator from Florida would like to say that we are going to limit the impact of sequestration on Medicare—most of which goes for senior citizens who are not poor. If they are poor they will get Medicaid,

yet all of Medicaid is put in sequestration.

It seems to me that we should take a look and say whether that is fair.

In answer to the argument of the subcommittee chairman, if I understood him correctly, he is really saying that it is bad management; that it is a terrible thing to do to doctors and to hospitals who made a deal.

The National Institutes of Health, \$5.4 billion—they are having a devil of a time managing an ongoing research program that might save us hundreds of billions of dollars, and we are not worried about sequestering them; and \$5.4 billion comes out of the general taxes. We are going to cut them, a health program of high promise.

There is \$500 million in the maternal and child health block grant, for the poorest of the poor who need prenatal care and care for their children, and we are going to cut it because, somehow or other, Medicare has this resonance: Medicare and Social Security—they sort of go together. We have to make sure that we do not touch any of them.

Veterans health care, \$9.4 billion a year. That is what we spent. It is a high priority item. In this amendment we are leaving pot No. 2 for across-the-board sequestration—\$9.4 billion in veterans health care.

Go out to the seniors of this country and put up for a vote, instead of the U.S. Senate, "Would you like to cut veterans health care 8 percent in a sequestration and exempt yourself, Mr. and Mrs. Average Medicare Recipient?" Let us put it up to a vote for them. I will bet that the good conscience of the American people would say: "If you are automatically going to cut veterans care, you surely ought to let the doctors and the hospitals, who are providing services under Medicare, take a little bit of the cut." They are not going to take much. But surely those veterans are.

The way it is now, you are going to cut Medicaid. It is a program for the poor, by definition. Roughly \$24 billion is our share and the States match it. There will be an attempt here to take it out, too. As a matter of fact, there is more justification for taking out Medicaid than Medicare. It is the American program to pay for those who cannot afford medical care. But they do not belong to some major groups in this country. They are not part of some groups that say seniors, and that means Social Security and Medicare, should not be touched. They want to exclude Medicare, even if it is the doctors and hospitals that you are going to cut the 5 percent, 6 percent, 7 percent, or 10 percent.

Indian health: \$900 million. Can anybody tell me that the state of Indian health is as good as the Medicare recipients' in this country? We have a trust responsibility to them,

but we are going to cut them because they are not Medicare; they are not part of the Social Security group that there is some fiction about, that they need it. Again, we are not talking about beneficiaries. It is the doctors and the hospitals that get the money. We now have provided specifically that they are the ones who would get their bills paid, but they get 5-percent less in the sequestration, and most seniors will not be affected. The doctors and the hospitals will.

There are others we can go through.

Let me mention education: We have turned ourselves inside out in this institution to be concerned about education. We want to educate the handicapped. We want to be sure we have student loans. They are sequestered, even the student loans, in a way that will make it apply in future years so that banks will know they have a continuous program. It will be sequestered, and nobody is even offering an amendment to change that in this package.

Agriculture: Speak about management, which worries my friend from Minnesota! Here is agriculture, and we are going to sequester it in the midst of probably as bad economic times for agriculture as we have had since the Great Depression, unless you choose the method of the House. They say exempt it all.

I repeat that if we want to put ourselves in the position where next year we do not have to sequester anything, then we should approach this sequestration by saying that everybody has to be in that particular negotiating mode, so that we can force the interests in Congress and in the President of the United States to get around the table and confront that 144 next year, and they will all have to be there, pushing and giving their bit in a prioritization.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. I yield myself 5 additional minutes.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. LONG. I agree with the distinguished Senator. I am not speaking for the Democratic Party, but I note that when it came down to a final vote, more than half the Democrats did vote for the Gramm-Rudman-Hollings amendment, and I was one of them.

I favor the position taken by the Senator from New Mexico and oppose the amendment of Mr. CHILES because, in my judgment, we should make every spending item we can subject to the overall cut, so that Congress will be compelled to focus on this and say, "Is this how we want the cut to apply?" We would have everything in there, and then use our best judgment. If we do not think Medicare

should be cut, OK—we can go into the sequestration operation and look at each item and say that we do not want to cut this one or cut it as nearly as much as an across-the-board cut would require; and we can say which would take a higher priority and which would take a lesser priority.

However, if you take it out of Medicare and one thing and another in which interest many people you put it on the basis where Congress would tend to look the other way and let the cut go through without focusing on what part is well taken, which does not make sense.

Mr. DOMENICI. I do not think this is an argument, by making it less onerous on defense. I think this is an argument that has to do with whether or not we consider, on the domestic side, what we are going to sequester, whether there is a compelling reason to treat this program different from the myriad of domestic programs that you are going to put in sequestration. I find no compelling reason based in equity or in fairness.

I have recited a litany. I think that many programs, in fairness and equity, should be excluded before it. Frankly, I believe that leaving it in is most calculated to get a good program for the United States under Gramm-Rudman-Hollings, rather than a poor one.

RECESS UNTIL 1:30 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 1:30 p.m. today.

(Thereupon, at 11:59 a.m., the Senate recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CHAFEE).

The PRESIDING OFFICER. Without objection, we will have a quorum call, with the time to be divided equally.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, how much time remains for the Chiles amendment?

The PRESIDING OFFICER. The Senator from Oregon has 4 minutes remaining and the Senator from Florida has 12 minutes remaining.

Mr. LONG. I yield 4 minutes to the Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I thank my colleague for yielding. I will be brief and stay within the 4 minutes.

I would like to indicate to my colleagues the importance of this vote and the importance of the position Senator CHILES has taken in promoting this amendment. It is not a matter

of saving the old folks political bacon, or any of that sort of thing. This proposal is designed to restore the treatment of Medicare to the position that it was in when 75 Members of this body voted for the Gramm-Rudman proposal 3 weeks ago. That is, we could very easily have taken the position that the Medicare trust fund, like the Social Security trust fund, expenditures are not to be exempted entirely from Gramm-Rudman. We chose not to do so.

We chose to say that all the reform elements of Medicare, that is, the hospital indexes, the doctor indexes, everything else, would be treated the same as all other payments in the system.

The current index adjustment for hospitals is approximately 5 or 5.6 percent. We agreed that this 5.6-percent adjustment, over about a \$56 billion payout next year, would be part of the sequestration. So to the degree that Medicare payments would have to be part of sequestration, they would be.

That was the agreement when it went out of this body. It got changed to accommodate other changes made in the conference committee. All the Senator from Florida and I and a lot of other supporters of this amendment are trying to do is to put Medicare back where it was when it left this body: A full participant in the process of deficit reduction.

The argument is made that this is just payments to doctors and hospitals. I will say to you with all the certainty that I can that if you enter into a course of conduct proposed by the Senator from Oregon, the Senator from New Mexico and others, of taking Medicare down below zero adjustment for hospitals and doctors, you are going to start seeing hospitals disappear in this country.

I suggest you go read your mail. The first place they will start is in all of these rural towns in this country that are already in trouble because of the quick changes in reimbursement. You take away their 5.5-percent adjustment that has been promised to them as part of this reform and they are going to go out of business. You say one more time to the doctors of this country, "We are going to freeze your part B payments and in fact take them below the \$15 per visit that you had before," and you are going to find more doctors than today saying, "I do not want to have anything to do with Medicare. I can live pretty well without Medicare."

The proponents of this amendment are not arguing to put Medicare in the same category as Social Security. We are arguing to put Medicare in the same category as all other spending programs around this place. Treat them and their proposed adjustments in the same way in the sequestration process as most other things are being

treated. I would hope that this body has the good sense to agree one more time as it did before that Medicare ought to be treated the same way as other programs. Go with the Chiles amendment and get a big vote in favor of the Chiles amendment so that if this has to go back to conference, which it will, there will not be any more messing around with the Medicare reform payments.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, may I ask how much time the Senator from Florida has remaining?

The PRESIDING OFFICER. The Senator from Florida has 8½ minutes.

Mr. CHILES. I thank the Chair.

Mr. President, I yield 4 minutes to the distinguished Senator from Montana.

Mr. BAUCUS. Mr. President, I thank the Senator from Florida.

Mr. President, I ask unanimous consent to be added as a cosponsor to the amendment offered by Senator CHILES.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I am supporter of the Gramm-Rudman-Hollings bill. I also supported including Social Security within the scope of this legislation. But when others and I voted for this bill, we assumed that the high-priority category I program list surely included the Medicare Program. That is where I believed Social Security belonged and I think that the argument is the same for Medicare.

Now we are being told that there was no such understanding, only confusion, about whether Medicare is to be a high-priority program or treated as just another "controllable" discretionary program.

I welcome the amendment offered by Senator CHILES to set the record straight. I think that this gives us all the chance to say what our priorities are.

There is a reason that the legislation we are considering has priority categories. In the first category, programs could not be cut below freeze levels. That does not exempt these programs from reductions. It subjects them to the prospect of eliminating the price adjustment that would otherwise be provided.

Category II is everything else. These programs, including controllable defense expenditures, can be reduced by the amounts necessary to reach the deficit target levels contained in the Gramm-Rudman-Hollings bill.

So, the question is, Where does Medicare belong? I support this amendment because it puts Medicare among the highest priority activities of the Federal Government, and that is where it belongs.

To say that deep reductions, reductions well below freeze levels, in the Medicare Program will not affect America's senior citizens, the beneficiaries, simply ignore the facts. In my State, there are already several hospitals on the brink of financial collapse. Almost all of these hospitals are heavily reliant on Medicare payments. And the doctors in these communities are, too.

What happens to these communities when Medicare begins to pay less, substantially less, than they have projected? I think we can be almost certain that some of these hospitals will be forced to close and many physicians will refuse to participate in the Medicare Program.

In rural America, this means that senior citizens will not have access to health care. And I am not talking about being merely inconvenienced. I am talking about in some cases having to travel over 100 miles to the next nearest facility or doctor. It is no exaggeration to say that in some cases that is a life or death consequence.

What about quality of care? This is already a serious concern with the payment levels now in effect under prospective payment to hospitals and freezes on physician fees. Do we really believe that the quality of health care in America, the health care that we now call the finest in the world, will not decline when payments are sharply and rapidly reduced? You get what you pay for. I do not think we want to say that we are willing to settle for second-class care for senior citizens.

Mr. President, as the ranking minority member of the Health Subcommittee on the Senate Finance Committee, I know how important it is to restrain health care costs. Each year we have struggled with that task and I think that we are making progress. But I also think that Congress must make these changes in an orderly and deliberative manner, knowing as best we can the consequences of our actions. The Chiles amendment will help to make sure that meaningful, sensible reform can continue and not be precluded by arbitrary formula reductions.

Finally, let me say that I hope that the Senator from Oregon is right that we should not frame this debate as a choice between health care and defense spending, but the choices are clear. Defense is cut less if Medicare is cut more. That is the question before us.

I hope that my colleagues will realize that the issue really is the future access to benefit that senior citizens have already paid for and the quality of care that they deserve.

Mr. President, I also want to address the point raised earlier by the Senator from Texas. He said on the floor, and others have made the same point, that the amendment offered by the Sena-

tor from Florida [Mr. CHILES] really is an amendment which does not directly affect Medicare beneficiaries but rather affects only health care providers, such as hospitals and doctors. The fact of the matter, Mr. President, is that if the Chiles amendment is not adopted—that is, if Medicare is treated the same way as all those programs in category II, then beneficiaries will be cut.

Why? Very simply: because payments under Medicare, certainly under part A, go in the main to providers; that is, doctors, hospitals, and other health care providers.

It is true that Gramm-Rudman protects direct Social Security beneficiary payments. But if payments to doctors and hospitals are cut the same degree as are other programs that are sequestered under category II, then who here today can stand up and say that Medicare beneficiaries, senior citizens, will not also be cut? If we cut hospitals and doctors and other providers to the same degree as other programs that are sequestered, it is obvious that beneficiaries themselves are going to get the brunt of that cut. So it is unfair, it is misleading for Senators here today to say that the cuts will go only to doctors and hospitals and, "Gee, they are getting a lot of money anyway and they should be cut."

That is a specious argument, Mr. President, because if you look at it closely, if doctors and hospitals are cut, they are going to start giving less treatment to patients. Hospitals will have even shorter lengths of stay. Patients will be forced to leave hospitals even more quickly. Hospitals may not admit as many patients.

The same will happen to doctors. Fewer doctors under part B will take Medicare patients, or they will not take assignments. So, indirectly beneficiaries will be cut.

It seems to me that Social Security and Medicare should be treated the same. Social Security beneficiaries are retired Americans who get direct beneficiary payments. Medicare patients are not only aged people, as are Social Security people, but they are people who are sick, and need health care. I supported putting Social Security in category I and it certainly seems to me that Medicare should be in category I. That includes beneficiaries as well as health care providers.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAUCUS. Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, I rise in support of the amendment to move Medicare from category II to category I of the Gramm-Rudman proposal.

There is no program more important to America than Medicare. History will judge the quality of our society—and we should judge ourselves—not by the generosity with which we reward

the wealthy, strong, and powerful but by the way we provide for the weak, the needy, and the old.

The quality of life of 30 million aged and disabled Americans depends on the adoption of the amendment we are considering today. Subjecting this program to the kind of cuts that inclusion in category II might require would mean breaking the promise of affordable health care for our senior citizens.

Medicare has done more to bring dignity and security to the lives of America's senior citizens than any social innovation since Social Security. In the dark days before Medicare, the elderly lived with the knowledge that any serious illness would mean the loss of a lifetime of savings. In the dark days before Medicare, the elderly were frequently denied the benefits of modern medical science because they could not afford to pay for them.

But the enactment of Medicare changed the lives of America's senior citizens. Medicare brought our senior citizens greater financial security and assured them access to the best medical care America has to offer. As a result of Medicare, the senior citizens of America enjoy the blessing of longer and healthier lives.

This year is the 20th anniversary of the passage of Medicare. It is ironic that, at the end of Medicare's second decade, this proposal—a dramatic change from the legislation that was passed only a few weeks ago—proposes to break the promise of Medicare.

Without this amendment, Medicare cuts could total \$4 billion next year and \$7.4 to \$11 billion the following year.

What will be the impact of these drastic reductions? The authors of this proposal point to the language of their amendment that proclaims that beneficiary premiums may not be raised or benefits included in legislation be reduced. All the reductions, if this provision is adopted, will come from reductions in payments to doctors, hospitals and other Medicare providers.

But the size of the cuts that might arise from leaving Medicare in category II makes a mockery of these promises to protect Medicare beneficiaries. Under the Medicare law, physicians are not obligated to accept Medicare recognized charges as payment in full. Instead, they are allowed to pass on to beneficiaries, in addition to the normal 20 percent copayment, any difference between what they want to charge and what Medicare will pay. Physicians currently pass on extra costs to Medicare beneficiaries on approximately half of all bills. Failure to enact this amendment will mean that billions of dollars in additional costs will fall on Medicare beneficiaries.

The sad fact is that Medicare beneficiaries already pay too much for the

health care they need—an average of \$1,600 out of their own pockets this year. This amounts to 15 percent of the average elderly person's total income—the same excessive percentage the elderly paid in the dark days before Medicare.

While the additional out-of-pocket costs the elderly could have to pay as a result of this proposal are bad, the consequences for senior citizens' access to hospital care are potentially even worse.

Hospitals cannot pass on additional charges to Medicare beneficiaries; they must accept Medicare reimbursement as payment in full. Medicare payments are already substantially below those of private insurance. If Medicare is cut to the degree contemplated in this proposal, the differential could widen by 10 percent next year and comparable amounts in subsequent years, until Medicare pays only a small fraction of the going rate. It will not be long before our senior citizens find themselves turned away at the hospital door and relegated to second class status in charity wards.

I can imagine no greater blow to the dignity and well-being of our Nation's elderly. Adoption of this amendment will give our senior citizens the assurances they deserve that the promise of Medicare remains unbroken.

The amendment I am supporting today will not spare any program from budget restraint. But it will classify Medicare where it belongs with other entitlements. We must keep our solemn commitments to America's elderly. We must keep faith with those who have kept faith with America through war and depression.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged equally.

Mr. CHILES. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, before lunch, we heard an argument that Medicare was never meant to be in category I and that it is not automatically indexed. It seem to me that Medicare has been a kind of moving target and the definition of what falls into category I has been moving, too.

When this bill was first introduced by the distinguished Senator from Texas, he define those programs in category I as requiring an automatic spending increase. At that time, he did not use the term "automatic indexing." He defined this to mean, the record shows, "all Federal programs indexed directly or indirectly, whether appropriated or contained in current law; this shall include entitlements and other payments to individuals, open-ended payments and grants and other similar programs, and shall not include increases in Government ex-

penditures due to changes in program participation rates."

That pretty well established what I think was the intent that Medicare, Medicaid, AFDC, all those should be in category I—perhaps more than that. Now we see some changes that were made after that time.

There were some changes on the Senate floor. It was tightened up a little bit and the definition somewhat changed.

In the Senate-passed bill, "automatic spending increase" was defined as "all Federal programs indexed directly whether appropriated or contained in current law. This shall not include increases in Government expenditures due to changes in participation rates." Medicare was still in category I. The majority staff of the Budget Committee analyzed the bill and decided Medicare was in category I.

Our decision to agree to the bill was based on Medicare being in title I. Now, perhaps there was a change of mind. Of course, we did see that in the conference, a majority in the conference decided that they would make this change.

It seems to me, Mr. President, if we are talking about purity, we ought to be looking for it now. The new definition supposedly is "pure." Under that, it is clear that supposedly it is only the real indexed programs.

Yet we see that veterans' compensation is on the list now. It is a program that is not automatically indexed. There has to be separate legislation in a year that we want those benefits to be increased. But it is in category I as opposed to category II. So it looks like what amounts to legislative purity is in the mind of the beholder, what you would like to be there. It seems to me you can put anything you want on that list.

Mr. PACKWOOD. Mr. President, this is indeed the first of the test votes as to whether we are serious about this whole process and keeping as much as we can in the pot. Let us make very clear again what is going to happen to those remaining programs in the pot if this amendment passes.

Whether that is defense or school lunches or education or National Institutes of Health or rural housing, every time we take something out of the pot that might otherwise be subject to sequester and move it out where it cannot be sequestered, everything else that is left in the pot has to be cut a bit more. So the question becomes, is this program of such a high, high priority—higher than Medicaid, higher than AFDC, higher than programs that go to the genuinely needy—that we are going to make it almost untouchable and say all of the other programs are going to be touched more? I do not think it is fair, I do not think it is right. But, more importantly, this is the first key vote as to whether or not

we are serious about trying to have a process that works and when and if we have to make cuts, they touch everyone equally.

How much time does the Senator from Florida have remaining?

The PRESIDING OFFICER. (Mr. COHEN). The Senator from Florida has 1 minute.

Mr. CHILES. Mr. President, I think we are ready to vote. It is interesting that now we are talking about this terribly key vote and what is in and what is out. The bill as introduced left out a program cited by the sponsors, Social Security. The distinguished Senator from New Mexico made the great argument about 16 percent of those people are below the poverty line, the rest are not. But it was decided that we would not even touch them under any circumstances, not under category I and not under category II; they just would not be touched.

I am trying to understand the logic of how you take an entitlement program with a trust fund—moneys were withheld from the recipients—you have this separate trust fund and it is an entitlement program—yet we said, "Wait a minute, that is \$74 billion. Let's put that in the pot and let's take that. Then we have veterans compensation. It is not an indexed program; if there is a COLA it has to be passed by the Congress every year. Let's put that into title I list."

The Senator from Florida is trying to understand what is the logic of this "pure" kind of proposal when we do not take Social Security and put it in anywhere, and when we do take veterans compensation, a nonindexed program and put it on that list, but now we are going to say Medicare, also an indexed program, should be called "controllable."

Mr. PACKWOOD. Mr. President, I yield my remaining time to the Senator from Texas.

Mr. GRAMM. I thank the distinguished chairman for yielding to me. Mr. President, the question we are answering here is, when 75 Members out of 99 present voted for the Gramm-Rudman-Hollings proposal, were we serious? If this amendment is adopted, it is clear that the next three amendments will be adopted as well because if this amendment can stand on its merits, certainly those can too. That will exempt a total of \$125 billion from the sequester process.

Now, to convert that into arithmetic, it means every other program which is part of the process will be cut by 30 percent more if we adopt these amendments than if we do not. It is my hope, Mr. President, that we will do our job; that under this process we will make difficult and courageous decisions; that we will reach a consensus that we will all compromise; that we will meet the targets by doing our duty, by

adopting budgets that meet those objectives. But if we do not, it is vital that we have everything in the pot that is on the budget. That in essence is what we have done in this current package before us.

The Senator from Florida talked about a trust fund. We are paying \$19 billion a year out of general revenue into the Medicare Program.

That is not a trust fund. That is a direct payment from the taxpayers. What we are talking about is not benefits to beneficiaries. We are talking about payments to doctors and hospitals. That is not an irrelevant issue. It is a very relevant issue. But the question is if we can cut everything else, do their priorities stand above everyone else's? I say no and there is no priority more important than balancing the budget and preserving a recovery that has brought about jobs and hope and opportunity to our people. I urge Senators to vote against this amendment.

Mr. PACKWOOD. Mr. President, I move to table the amendment of the Senator from Florida and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Connecticut [Mr. WEICKER] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. ZORINSKY] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 280 Leg.]

YEAS—54

Abdnor	Gramm	Nickles
Armstrong	Grassley	Nunn
Bentsen	Hatch	Packwood
Bingaman	Hatfield	Pressler
Boren	Hecht	Proxmire
Boschwitz	Helms	Quayle
Cochran	Hollings	Roth
Cohen	Humphrey	Rudman
D'Amato	Johnston	Simpson
Danforth	Kasten	Stafford
Denton	Laxalt	Stennis
Dole	Long	Stevens
Domenici	Lugar	Symms
East	Mathias	Thurmond
Evans	Mattingly	Trible
Garn	McClure	Wallop
Goldwater	McConnell	Warner
Gorton	Murkowski	Wilson

NAYS—44

Andrews	DeConcini	Hart
Baucus	Dixon	Hawkins
Biden	Dodd	Heflin
Bradley	Durenberger	Heinz
Bumpers	Eagleton	Inouye
Burdick	Exon	Kassebaum
Byrd	Ford	Kennedy
Chafee	Glenn	Kerry
Chiles	Gore	Lautenberg
Cranston	Harkin	Leahy

Levin	Moynihan	Sarbanes
Matsunaga	Pell	Sasser
Melcher	Pryor	Simon
Metzenbaum	Riegle	Specter
Mitchell	Rockefeller	

NOT VOTING—2

Weicker	Zorinsky
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So the motion to lay on the table the amendment (No. 961) was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 963

(Purpose: To lower the deficit target for fiscal year 1986)

Mr. RIEGLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I am sending the amendment in my own name, and on behalf of Senators CHILES, EXON, and KENNEDY.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself, Mr. CHILES, Mr. EXON, Mr. KENNEDY, and Mr. METZENBAUM, proposes an amendment numbered 963 to amendment No. 957.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment is printed in Routine Morning Business under Amendments Submitted.

Mr. RIEGLE. Mr. President, I ask for order in the Chamber, please, before I start.

The PRESIDING OFFICER. Senators who wish to carry on their conversations, please take those conversations to the cloakroom.

The Senator from Michigan.

Mr. RIEGLE. Mr. President, I believe this is a very important amendment, not because I happen to be offering it, but the substance of the amendment makes it an important one. It has to do with the question of establishing exactly what the first-year fiscal 1986 deficit target will be in the Gramm-Rudman proposal, assuming that it becomes law.

This is a matter of great controversy. The Senate presently has one

number that appears to avoid any deficit reduction for the fiscal year that we are now in. The House last week passed a different version with a very tough-year deficit target of \$161 billion, and with no fudge factor such as we have presently in the Gramm-Rudman proposal.

So the difference between these two is very significant. The question of how we arrive at a first year target, or if you will an immediate year target, is something that I think we have to consider very carefully. The amendment that I have sent to the desk proposes a current fiscal year target just about in the middle of the present proposal in Gramm-Rudman which I think is far too loose, and the one that the House has offered which some people think is too tight with respect to the timing of actually putting it into effect in this fiscal year in which some part of it has already gone by.

What we presently have in Gramm-Rudman is as follows: It is a target, a stated target, of \$180 billion deficit, but it has with it a 5-percent leeway which is the fudge factor which most of the economists and columnists have discovered which shows in fact that that deficit figure can balloon up to \$189 billion before there is a requirement for any automatic cuts.

Under the current CBO estimates for the 1986 fiscal year, the deficit is estimated to be \$185 billion. By having a first year target that is actually \$4 billion higher than the \$185 billion deficit figure there is a very real likelihood that we would escape the discipline for this fiscal year, and many suspect that is quite deliberate. And it is for the purpose of trying to finesse this problem past the 1986 elections, and sneak by as much as possible without the Gramm-Rudman proposition really biting in a serious way to start making some of the budget cuts that are needed.

I happen to think very strongly that the budget does need to be cut, and it needs to be cut now. It needs to be cut in a significant amount that both financial markets will pay attention to, and hopefully we can get some further interest rate relief, some greater economic growth. Hopefully, we can get that combination of events started to bring the deficit down even further, and giving us some more relief from the pressure of the high deficits that we are now confronted with.

My amendment would do the following: It would take as our budget deficit target and put it in as the Gramm-Rudman target, the budget resolution deficit level that we passed in the Senate in August of this year, not very long ago, and by a substantial 2-to-1 majority. It would take that figure, the \$171.9 billion, and it would set that as the target for this year. However, we would soften it some because

we would leave in the fiscal year adjustment factor that is now in Gramm-Rudman that takes into account the fact that we have already begun the fiscal year. Therefore we would not have to make a full year's reduction for this fiscal year when part of the year will have elapsed, which I think is legitimate. So we retain the same fraction of adjustment for the fiscal year which is presently in Gramm-Rudman.

So what this would involve in terms of money is this. With the current CBO estimate of the deficit for 1986 being \$185 billion, and with us having set forth our own budget target earlier of \$171.9 billion, or, say, \$172 billion, that would mandate a cut in total without the fractional adjustment of about \$13 billion for this fiscal year. By taking into account the fractional adjustment, it pulls that down to an adjustment of approximately \$9.8 billion.

That is what we would be mandating to have to save under Gramm-Rudman out over the remainder of the fiscal year—\$9.8 billion saving beneath what CBO now tells us is the estimated deficit for the fiscal year that we have begun.

It will be very interesting to see how the vote goes because there are some who say, well, we want Gramm-Rudman, we want deficit reduction, and we want budget cuts but we do not want them now. We want them later, preferably after the 1986 elections. There are others who are saying with what the House has put in as a first-year target it is so tough and so low that it is basically unachievable.

What I am offering here is a number that is achievable, and that is reasonable. In fact, it is the precise number that we committed ourselves to meet just a matter of about 4 months ago here on the Senate floor. So we are here today to affirm a number that we have already committed ourselves to have to meet, and we are adjusting that and providing some leeway with respect to the fact that part of the fiscal year has gone by.

As to the question of whether we could cut \$9.8 billion out of this fiscal year's budget which is a budget of \$1 trillion to me really poses an essential test of whether or not Gramm-Rudman is real or whether it is a fake as many of us are inclined to think that it is because a \$9.8 billion reduction on a \$1 trillion budget is less than 1 percent.

It ought to be within our reach if we are serious about doing this or, in the alternative, if the intent is just to push this thing off into the future and finesse it until after the next election, then clearly we can do that. We can leave it as it is with an artificially high target, and with a target that is now above what the CBO says the deficit next year will be. In fact, it will allow

the deficit to increase rather than mandate that it decrease.

So by any measurement I think this is a very reasonable number to set for ourselves. It puts the discipline into effect.

As to the timing, if we adopt this amendment—and we allow then a deficit next year that would be no higher than \$175.2 billion, and therefore based on current estimates require us to come in and find a way to save the roughly \$9.8 billion that I have just made reference to. The GAO would submit a report to us on December 15 of this year. At that date the President would then have 14 days in which to decide how he would recommend that we achieve these economies and these budget reductions in order to come back with his proposal as to how we get down to the deficit figure which was the maximum that would be allowed.

That report from him would have to be in by the 29th of December. As Gramm-Rudman is now written, there would then be a period of 30 days in which the Congress would have to examine that package that the President has sent down to us to take a look at it, to decide whether we want to accept it, and whether we want to recommend changes in it. But I think it gives us a period of time, through January 28 on the calendar, to be able to respond to that if we have different thoughts as to how it ought to be done. But it would give us a chance to get a running start on deficit reduction of a significant amount but not an amount that is beyond our reach or that anyone could actually call unreasonable.

I know some of the supporters of Gramm-Rudman are going to say any real deficit reduction target for 1986 is unreasonable because they would like to put this issue off if they possibly can because the whole part of the construction of Gramm-Rudman is not now—but later, deficit reduction in the future but no real deficit reduction now.

When you look at the comments which have been made across the country by people who have taken serious account of the Gramm-Rudman proposal, you find that is the overwhelming first complaint that people make about it. That is while it has a number of defects that the most serious defect is it does not begin serious deficit cutting now when it is needed.

I think the person that was probably the most outspoken about that initially was Dr. Modigliani of MIT, the Nobel Prize winner this year in economics who said, and I quote in terms of his remarks on the Brinkley show of October 27. He says as it is written now "It completely fails the job that needs to be done. What we need to do is to slash the deficit deeply, and we need to do it this fiscal year."

That is what Dr. Modigliani is saying this fiscal year. I think he is right. But as you go across the editorial opinion, across the opinion of economists from across the country, it is virtually unanimous whether you want to take the U.S. News & World Report editorial of yesterday which I read into the RECORD, or what other leading newspapers have said from newspapers in Nebraska to New York, coast to coast, and in California—they are all making the very same points. The writers across the country are as well. That is if we are serious about it, if it is real, then let us get started on it at the present time.

Mr. President, may I ask how much of my time remains?

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. RIEGLE. I will reserve the remainder of my time.

Mr. PACKWOOD. Mr. President, I congratulate my good friend from Michigan because he has commented on this process very well. What we found in the House when we were negotiating with the House was that this is a terrible process, the whole process is terrible. Let us get to it as quickly as we can.

Here is what we are up against right now. I do have to dispute the allegations of my good friend from Michigan that we are trying to escape 1 year.

It is now November 5. Under the bill, if it passes as it is, the President has to bring in his budget for 1987 on the first Monday after January 3 at \$144 billion, less than 2 months from now. If you think this process is tough right now, wait until he comes in here next year with a \$144 billion deficit. If somebody thinks that this is going to be the Republican way of escaping responsibility when he comes in with \$144 billion and says, "Folks, let me tell you what I have to cut" and it will pale anything that we have tried to cut ever since we have had the budget process or anytime since any of us have been here.

If by chance in the 9 months between January and the end of September Congress fails to meet those \$144 billion budget deficit totals, then on October 1 the President announces his sequester. Everything from Bangor, ME, to San Diego, CA, to Portland, OR, and all of the big and little towns in between will find something that will be sequestered, because it will be across the board.

As the fear of something is worse than the actuality of something, everyone will say, "My gosh, that is only 5 percent, but what is coming next?" The Republicans will have to live with that all during October, the month before November. We will have to explain it. If there is anything that would help Republicans, it would be to get by the month of January, not Oc-

tober. At least, if we have some laws in effect and the cuts are actually made and the interest rates come down as we hope and the economy booms as we hope, then politically the party in power probably benefits.

I have heard lots of figures cast around. The Senator from Michigan says the deficit this year will be \$185 billion. I would be willing to make him an offer right now and say that is the target for 1986. No 5 percent or two-thirds, we will say \$185 billion will be the target for 1985 and we will live with it. I do not know if we can agree to that or sell that. I do not think we can sell it in the House.

All I am saying is this: Relying on the word of the Budget Committee chairman, someplace this year the deficit appears to be, depending upon reconciliation, anyplace from \$190 billion to \$200 billion. No matter what target we set, the House's \$161 billion target, the target of the distinguished colleague from Michigan, \$172 billion, the \$180 billion, plus 5 percent, we are offering, although if you go above the 5-percent sequester down to \$180 billion, no matter what target, it appears that we will have sequestering in the next few months. The question is: Are we going to sequester from a deficit of \$193 billion or \$194 billion or \$200 billion down to \$180 billion, roughly a \$15 billion, sequester, down to \$182 billion, or the House's figure of \$161 billion?

All of them are going to be hard to digest because they are coming now late in the fiscal year but into the fiscal year and we have not had the 9 months we will have under the Gramm-Rudman-Hollings process for the Congress to sit down and negotiate with the President.

Unless I miss my guess, this is what the President is going to do in January: He is convinced that Congress has promised him under our agreement a 3-percent increase in spending, a real increase in spending, in defense next year. He will come in with a budget with very high military totals. There will be rather dramatic cuts in domestic spending in the budget as presented. And there will be no tax increase in the budget as presented.

Between January and September there is going to be strong negotiation between the Congress and the President, between the Republicans and the Democrats, between the House and the Senate, and I hope by the time September comes we have concluded a process whereby we have some sequestering and we have done it ourselves.

But I think in this first year, and again this is no blessing for the Republicans, there is going to be a sequester anyway. It is just a question of how far it is going to go in the next 30 days when we pass this.

Then there is going to be a blockbuster cut of a budget in January which the President and the Republicans are going to have to defend from January to September in whatever choices we make, whatever choices we make. No matter how we skew it, no matter what we do with it, turn it upside down, every single interest group, including defense, probably, is going to get touched. Every group that gets touched is not going to like it. Every group that gets touched will blame the party in power and that is the Republican Party.

I would hope very much that the amendment of my good friend from Michigan would fail. I would hope that we could go to conference with the House with the figure that is in the amendment as I have presented it because I know after negotiating for almost 2 weeks with those 48 House conferees from six different committees that we are going to have a very, very difficult time on the issue of constitutionality, on the issue of what is in and out of the pot, on the issue of what the deficit level ought to be.

We all know when you go to conference you do not get everything you want, if you want to get a conference report. I beg the Senate to give us the strongest hand possible going into that conference.

On the merits I have no difficulty defending the figure that is in my amendment of \$180 billion, plus 5 percent, \$189 billion. But if you go one penny over it you sequester down to \$180 billion pro rated for the number of months that we are into the fiscal year.

I admire my friend from Michigan. I know he is sincere in this, but I hope that his amendment will be defeated.

Mr. HOLLINGS. Will the Senator yield?

Mr. PACKWOOD. I yield 5 minutes to the Senator from South Carolina.

Mr. HOLLINGS. I thank the Senator for yielding.

Mr. President, the Senate has been at least 7 weeks on this issue, and Senators GRAMM and RUDMAN and I have been on it longer. The intent of this proposal was to enforce discipline and create truth in budgeting. The proposal was intended to be impartial, to be realistically attainable. The intent was not to use the late dates of April and May into the fiscal year but to start immediately at the very beginning so that if we were going to cut, for example, out of defense, we would be moving into contracts and not into pay and readiness.

On that particular score, you will remember back 7 weeks ago when we were in the early debates how we adjusted upward intentionally. The distinguished Senator from Michigan said the numbers were artificially high. Yes, artificially high but intentionally high so that it would not just

immediately trigger chaos and lose votes.

We have to have a politically viable proposal. We have to get this thing passed. Everyone legitimately said, "Look, we were not playing with real bullets in August when we enacted this particular budget. All of a sudden in hindsight you are going to force all this discipline and you are going to have to go through an exercise of beating up each other. The President will not go for revenues, we will not go for cutting out social programs, someone else will hold tight and we have a gridlock."

The economist Modigliani with his Orphan Annie pulls his figures out of cartoonland without helping the fight to cut the deficit. He reminds me of a President we had once who consulted his daughter Amy on nuclear matters.

Politically, we have tried and tried and tried, this Senator has tried for 5 years, and we never had the help to cut the deficit. The distinguished Senator from Michigan has said, "Now let us get it done. Let us get on with the job. Let us sit around the table and work."

Well, he has been keeping that budget unusually high with his demand on Social Security. I thought I had really gotten rid of his particular eloquence when I insisted that we set Social Security aside as a trust fund.

The Senator from Michigan and I have appeared together. He has in the past called this program fraudulent and dishonest. Today, he used the words "finesse" and "sneak by."

There is no finessing, there is no sneaking by. The levels have been set to put tremendous pressure on all of us—the President, the House, and the Senate to present a balance budget. We are all going to be put in a box, intentionally so, to present a budget that will immediately come from about \$195 billion down to \$144 billion. We are going to be cutting some \$50 billion out of the present budget while at the same time, as it is admitted, the President will want a 3-percent growth in defense. Others will be wanting their 3- to 4-percent inflationary growth in entitlements. And then we have net interest—almost a \$30 billion increment now coming in this year, 1986, because we have not done the job.

Those things are going to be weighing on us and we are going to have to do the job. It is going to be tough to get a budget together especially in an election year.

But the bottom line of this amendment, I say to the Senator from Michigan, is that it is, to use his favorite words, a "finesse," a "sneak by."

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. HOLLINGS. I ask for 2 more minutes.

Mr. PACKWOOD. I yield 2 more minutes.

Mr. HOLLINGS. The amendment of the Senator from Michigan is no less than a finesse, than a sneak by. I do not accuse him of fraud, as he accused GRAMM and HOLLINGS of fraud. The finesse and the sneak by here are if you cannot beat them, join them. Overweight the plan, sabotage it with an unrealistic amendment, and make absolutely sure that it will not pass because we have to cut \$20 billion more by Christmas.

That is what the Senator is trying to do. He knows he cannot do it. We tried and the President came on in September 1981 and said, "Oops, we need revenues." Then he came along and he wrote his famous speech and they said, "Wait a minute, we have not gotten a budget." Howard Baker and the Senator from South Carolina worked and cut. So we are not going to find \$20 billion here before Christmas. The Senator's amendment does nothing less than sabotage and overweight the proposal and make certain nothing happens with respect to the deficit.

It is a sad initiative. Its purpose is not to control the budget, but to take something that has been worked over and seems to be on course now and say, let us sabotage it and make absolutely sure it is not going to pass.

Mr. RIEGLE. Mr. President, I am going to take a minute or two here to respond to some of the things my friend from South Carolina said.

One thing, and he may or may not have said it, had to do with the target date. The first one to use the target I am suggesting for the first year was the Gramm-Rudman proposal itself when it was first printed. S. 1702 had as its target exactly the same target I am talking about now. I am talking about not months ago but 5 weeks ago. They have changed it, which they have a right to do, but lest he think this number has been picked out of thin air, this is the number the Senate agreed to in August by overwhelming numbers. It is the number we committed ourselves to meet. We have not yet passed all the appropriations bills for this fiscal year so we are certainly in a position to work on them before we pass them to try to meet that target. This is precisely the number that Gramm-Rudman had initially.

Then, for whatever the reasons, and we can speculate as to the reasons, I am told that the White House pleaded to a lot of people and said, "Look, we want deficit reduction, but we do not want it now; we want it sometime in the future, preferably after the next election so can't you jack up that budget number and make sure you have a high enough fudge factor so it will not bite into anybody any time soon."

That is why this thing has been met with universal ridicule by serious economic people across the country, including many serious scholars, and theorists, and columnists on these issues—people like James Kilpatrick and many others who have thought about it and looked at it. They have come back and said, "Look, you are not serious about deficit reduction if you are not willing to start now; we are already 3 years late, 4 years late, 5 years late. Now we have an opportunity to do something on an orderly basis for the fiscal year that has just started and you are throwing your hands up and saying, we cannot do it now."

Well, we can do it now and now is when it needs to be done. People are not going to take this thing seriously unless it bites now. It has to bite an amount that is reasonable, I concede that point. If it is too much and in too short a period of time, then I think that is a legitimate argument the other way. But as we have it now, people are seeing it for what it is, a political gimmick, a gimmick to avoid the issue now.

Well, we are already late. I think if we are going to pretend that we are serious about deficit reduction, we ought to do a little bit of it. We ought to do a little bit of it now.

It seems to me what the Senator is saying is in this \$1 trillion budget with the latest CBO estimate of a deficit for next year of \$185 billion, we cannot manage to find a way, with all the magic of Gramm-Rudman, to take literally \$9 billion out of a \$1 trillion budget.

We cannot save that much, whether it is \$600 toilet seats at the Pentagon, or waste in social programs, or whatever it is; we cannot save less than 1 percent in the remainder of this fiscal year, even though we just voted in August to say that was our target.

You tell me that is not hypocrisy? Of course it is hypocrisy and everybody is laughing at us. U.S. News & World Report, which normally would think this is a great idea, yesterday called it a fiscal Frankenstein. One of their major points was it does not start cutting the deficit now. What do you think that means? I know the sponsors keep telling themselves that this is wonderful and they have done a beautiful job here but the fact of the matter is it does not bite in any meaningful way and it needs to.

So I am just trying to take the budget number established just a few weeks ago. In fact, I am even allowing for the part of the fiscal year that has already gone by. So the actual deficit target we are talking about that is in my amendment is \$175.2 billion. If we cannot meet that target, if we do not have the resolve over the next period of months between now and the end of this fiscal year to meet that target, who is going to believe, with the

hocus-pocus out in the future—the \$144 billion that the chairman of the Finance Committee talks about for the subsequent year or the balanced budget out in 1991—3 years after President Reagan leaves office? Who is going to believe that? Nobody believes it. They are laughing at it and they are laughing at it because we are not showing a willingness to start in a serious way now.

Take this amendment. I challenge the Senate to take the amendment and make this thing work now. We are not willing to do that because there are people around here—I do not suggest anyone in particular—who do want to finesse this problem, who do want to sneak by the next election. And nobody is fooled by it.

Mr. President, I reserve the remainder of my time.

Mr. DOMENICI addressed the Chair.

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator from New Mexico is recognized for 5 minutes.

Mr. DOMENICI. Mr. President, I have a great deal of difficulty, frankly, as my friend, one of the distinguished cosponsors [Mr. HOLLINGS], has with the seriousness of this amendment. I do not care to repeat what a terrible process this was seen to be by the distinguished Senator from Michigan. Gramm-Rudman was everything, as Senator HOLLINGS said, and more in terms of being fraud and abuse. It was absolute delegation of Congress' power and authority to the President. Mr. RIEGLE is speaking of hypocrisy. I do not think anybody ought to be addressing hypocrisy to those of us who want to make this process work. I shall leave that there.

Let me suggest to the U.S. Senate that we are now at November 6. We have not yet passed a reconciliation bill. If and when we get it passed, we shall be 2 months into the fiscal year. Even if reconciliation were to accomplish its purposes, it will probably be \$2 or \$3 billion short just because we have not finished work on it.

We have not net finished appropriations bills. What we have seen is the Senate and House working their way and it will be miraculous if they stay within the budget resolution targets because we just never had a truly binding budget. That is the way we have done things. We have never had a truly binding budget and we do not have one this year either.

We already know that there is a revenue shortfall of \$8 billion. \$172 billion is the deficit in the budget resolution. If we want to hold to that, we are already \$8 billion short. We are \$8 billion short, not because we did not cut enough spending but because revenues

were \$8 billion short. In fact, that is how we came to our number. We said \$172 billion was the target deficit. It is not our fault in terms of cuts that we won't get to the \$172 billion. We are still \$8 billion short because of taxes. That brings the deficit up to \$180 billion. We are already at November 6 and we have people in this body who have been part of the process year after year and they have seen that we cannot get anything done. Now we are going to institute a process and say we have got the rest of November and half of December, and somehow miraculously by December 15, with everything else we have to do, we are supposed to save somewhere between \$20 and \$40 billion in outlays. Now, so the Senate will now that this is a very easy job, let me tell you how we have squirmed all year to try to live within a budget resolution which we cannot do. Do you know how much we asked to be saved, I say to the distinguished occupant of the Chair? Do you know how much we asked the Congress to save? Just \$8.4 billion in outlays.

We spent 7 months arguing over budget resolutions. We turned it over to appropriators and we will not even save the \$8.4 billion. So we will never get to the \$172 billion deficit because we had no binding budget. We did not even try for a \$144 billion deficit. We had business as usual with a little bit of drag because there was a lot of applied rhetoric that this deficit is awfully bad. We accomplished only a little bit in those 7 months. Now we are going to take this process and in about 45 days, 15 or 20 of which you have to set a side for Christmas and Thanksgiving, you have to do the appropriations and you have to do the reconciliation. We have got people down here saying, "Prove it to us, prove that you are budget cutters because this Gramm-Rudman is a fake; we are really not going to have to do anything next year."

Let me tell you what I think we are going to do. This year the budget deficit, in my opinion—and I am going to put in the RECORD what four estimating firms think—will be no less than \$190 billion because we cannot do anything in the normal process in 9½ months to do anything about it. But our distinguished friend from Michigan says we better do it in 35 days under a brandnew process to prove we are serious.

Now, let me give you the second episode. If the deficit now is \$190 billion and if we end up getting it down to \$180 billion under the proposal that we recommend here today, next year, not in avoidance of an election year but in the middle of it, we will have to cut \$50 billion from the deficit, and we will do it either by cutting and eliminating programs or raising taxes or a combination of both.

The Senator from New Mexico is not coming down here saying those things are not on the table. They are on the table next year. No question about it. But we will have the collective opportunity to go through a budget from the President with a deficit of \$144 billion, a May 15 deadline in both Houses to produce our own budgets, and negotiations with the President.

Three additional minutes, please.

Mr. PACKWOOD. I yield 3 minutes to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 3 extra minutes.

Mr. DOMENICI. We will give this process an opportunity to work.

Now, what we have done in this amendment is say, "OK, we know that agriculture cannot come in on target." Is there anybody here who thinks it can? It is going to be \$3 to \$5 billion over. Is there anybody who says we are going to automatically find the \$8 billion shortfall in revenues even in this year's estimate? No. We have added those together. We have said let's start at \$172 billion. Add the shortfall in revenues and the excess in agriculture to it and you are just about at our number of \$180 billion. We are hoping that everything else will be squeezed. But we are also saying that if we do not, there is still a chance that we are going to use this process with this little tiny bit of time. There is still a chance we will use it nonetheless to force a sequestration of somewhere between \$9 and \$12 billion. That is my prediction of a minimum.

I submit to you, Mr. President, that this is more savings than we got from the entire domestic, nondefense budget in the whole year. With all the rhetoric out there that the American people are hearing about how bravely we were going to address this deficit issue, we are still going to ask this system to work with on planning on our part to get the deficit down somewhere between \$9 and \$12 billion. In my opinion, I think that is a good start. And to ask the process to do a \$30 billion reduction is ridiculous. To ask it to do \$25 billion borders on the insane. I mean it would be absolutely ludicrous, but maybe we have to sit down and talk about who wants to cut the budget more. I repeat, nobody need fear if they vote for our \$180 billion deficit plus 5 percent leeway and apply it for two-thirds of the year, that everyone running for office next year will not be part of some tough votes. They will make them in February, March, June, July. Reconciliation in July will be a monster, the biggest reconciliation in history and at the end of the year you will probably have to vote in an alternative budget that still saves some more. If you want to test the limits of political will, it will get done next year. You can rest assured. No phoniness, no hypocrisy.

None of those things that have been addressed to it are true. What we want is to give it a chance, not destroy it. This will be the biggest cut in history next year, even off the Packwood-Domenici baseline that we suggest we ought to work from this year.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. EXON. Mr. President, I thank the Chair, and I thank my friend and colleague from Michigan. Mr. President, I rise to support the amendment offered by the Senator from Michigan. I opposed the Senate-passed version of the Gramm-Rudman amendment because it did not immediately attack the deficit as I think we should. Rather, it set up a complicated procedural mechanism which has the effect of delaying serious deficit reduction for at least a year. Furthermore, it all but guarantees a massive tax increase that has been the best-kept secret about Gramm-Rudman. The President of the United States has endorsed Gramm-Rudman, but the President of the United States says he is not going to cut into the defense budget; we are going to go ahead with that. The President of the United States says, "I will veto any tax increase." Anybody who understands Gramm-Rudman, whether they are sponsors of it or not, has to concede that there is no way for this bill to work unless we get tough in cutting expenditures and also have massive tax increases. If there is one message we should send to the people of the United States, it is that this is not going to be a painless procedure if it becomes law, and we better get started on it now if, indeed, we are serious about its intent.

I completely support the proclaimed purpose of the Gramm-Rudman amendment, that is, to expeditiously reduce the deficit. In fact, Senators HOLLINGS, ANDREWS, CHILES, myself, and others have labored many hours to put forward the only serious deficit reduction plan which would have met and exceeded the deficit reduction targets of the original and revised versions of the Gramm-Rudman proposal.

I have been pleased, under lots of pressure from time to time, to stand with my good friend and colleague from South Carolina. Senators will remember that we even had the courage to put COLA reductions in the budget proposal plans that we advanced, and we were also honest enough with the people of the United States to look them in the eye and say, "And we are going to have to have more revenues from you"—not in the form of a general tax increase, I hope, but certainly closing tax loopholes, placing mini-

num taxes on corporations, and other revenue measures that we could follow. I simply say that those two key factors, which is the only honest way to explain the situation to the people of the United States, have been conveniently sidelined in the selling of this proposal.

As passed in the Senate, the Gramm-Rudman proposal would allow net year's deficit to exceed 192 billion before any across-the-board Presidential impoundments take place. If followed, even the meager budget passed by the Congress on August 1 is projected to yield a deficit of \$175 billion.

Anyone who stands on the floor and says we have a tough job that we will have to handle before the next election probably has not looked back at the history of Congress. I suspect that, in the end, because of indecision that is highly likely to take place here and in the other body, the sequestering part of the Gramm-Rudman-Hollings amendment will eventually take over, and we had better take a long and hard look at that.

In essence, the Gramm-Rudman proposal allows the Congress to clear the deck of difficult and painful decisions on spending and revenues and "sugar-coat" the \$2 trillion debt ceiling bill.

Deficits threaten our entire economy. The \$2 trillion debt ceiling bill could and should have been a catalyst for substantive change which would aggressively reduce deficits. Instead, it was used to set up an elaborate procedural mechanism which was strong on publicity and political posturing and short on immediate action.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. EXON. I ask the managers of the bill if I may have 2 or 3 more minutes.

Mr. RIEGLE. I yield the Senator 2 additional minutes.

Mr. EXON. Mr. President, during the lengthy Senate debate on the Gramm-Rudman amendment, I offered and supported several amendments which would have made the effort effective and fair. I proposed to move the timetable forward by mandating two additional deficit reviews where the possibility of across-the-board impoundments would force immediate action on the deficit. This amendment fell four votes short of passage. A similar amendment, which I cosponsored, by Senator EAGLETON fell only three votes short of passage. Taken with the House action, these votes prove that there is strong bipartisan support to accelerate the deficit-reduction schedule in the Gramm-Rudman amendment.

If anything, the Riegle-Exon amendment is moderate. It would simply require the Congress to live within the budget it adopted on August 1. It also represents a good halfway point with the House proposal. Adoption of this

amendment will help cure one of the key defects of the Gramm-Rudman proposal—that is, its effect of delaying serious deficit reduction.

Mr. President, we must attack the deficit now. If it means staying in session until Christmas, it should be done. If it means strengthening the pending reconciliation bill, it should be done. If it means further reducing appropriations bills, it should be done. Whatever it takes, Congress must make the tough decisions now.

Congress has never lacked procedural mechanisms. Unfortunately, it has lacked the courage to squarely face the deficit issue.

I urge my colleagues to adopt the Riegle amendment. It is a reasonable and fair effort to make the Gramm-Rudman proposal perform as it should.

Mr. RIEGLE. I thank the Senator.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 5 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I should like to review how we came to this point.

Nine months ago, we started a budget process. President Reagan submitted a budget which cut about 20 percent more in real program reductions than the proposal that ultimately was adopted on this floor at 3:30 in the morning.

We adopted a very strong budget with \$50 billion more of reconciliation savings over a 3-year period than the compromise we ultimately came to that the House called for.

Those in the House who are today screaming, "Why not cut more now?" those who have joined that chorus here on the floor—where have you been for the last 9 months? For 9 months there has been every effort made not to cut anything. Now, suddenly, 2 months into the fiscal year, after the budget process has long since passed, after the horse has not gotten out of the barn but after those who want to cut more now let the horse out of the barn—now, all of a sudden they are saying "Let's cut more now."

I remind my colleagues that the budget adopted in the House had such tremendous savings as \$10 billion for contracting in. By having the Government hire more people and do more things, they were going to save \$10 billion. They saved \$3 billion by taking money out of the bank and giving the States two-thirds of it and claiming savings.

We adopted a budget with 20 percent less programmatic savings than the President proposed. We ended up with a reconciliation bill that had \$50 billion fewer savings over 3 years than our budget called for.

What did we assume in that budget? We assumed a 4-percent real growth. Does anybody believe that is going to be achieved? The growth rate today is 2.5 percent. Where the 180 figure came from was recognition that, at a minimum, we were going to have an \$8 billion shortfall. So, to be realistic, in the first year we added it back and made 180 the target.

Most outside economic groups predict a deficit for fiscal year 1986 against which we would have to sequester not at 185, not at 195, but at between 200 and 205.

At this point, after the horse has been let out of the barn, what is really feasible that we can do? Does anybody believe that we can cut \$40 billion in a sequester order with 8 months left in the year? Do the Members of this august body realize that that would mean that since the House has already cut defense \$10 billion under the budget, we would have to cut defense by another \$28 billion under the House bill? In going to Geneva to negotiate arms reduction, the President would have a defense budget \$38 billion below the level we adopted on this floor. Is there anybody here who wants to do that?

Is there anybody here who wants to cut veterans' health care by 25 percent. That is what the House proposal would do. Do you believe they are serious? They obviously do not. They wrote a provision which they knew was unconstitutional and said the whole bill would be struck down if it were found unconstitutional.

When you are playing by those rules, you can claim any savings you want to claim.

The truth is that in order to make that 180 plus a 5-percent trigger work, the President will have to veto more bills in the next few weeks than he has vetoed in the last 5 years, and we still probably will not get there.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAMM. I ask for 2 additional minutes.

Mr. PACKWOOD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. PACKWOOD. I yield 2 minutes to the Senator from Texas.

Mr. GRAMM. A final point: It seems to me that what we are caught up in here is somewhat of a macho contest about who is going to cut more.

Fiscal year 1986, for all practical purposes, is lost, and the Members of this Chamber and the other Chamber who today are crying for more savings are the people who lost it.

We have set out a reasonable proposal which will be tough to meet, but it is realistic. The real objective of those who say cut more now is to make the

shoe so tight that we can never get it on.

After not having done anything for 9 months, what our process does is that we do something now, that we pass the reconciliation bill, and that the President veto the other bills that are over. But it gives us a practical chance to get the process going.

If you want to stop the deficit, let us start by being realistic. We have deceived the American people in the last 4 years about how big the problem was. We do not do anything but continue that dishonesty in budgeting that the distinguished Senator from South Carolina talks about if we set out a target here today that would produce such massive cuts that it would send a tremor through the whole political process.

Let us start with a tight budget and then move on to what it calls for, which is to adopt a tough budget and force that budget, and make an across-the-board cut before the election occurs. Anybody who has argued that this proposal avoids doing anything before the election has never read this proposal.

Quite honestly, I think that when the Speaker of the House made that argument he had not at that point really read this proposal. But that argument has been validated by repetition.

The truth is, as the distinguished chairman of the Budget Committee has said, that if we adopt this bill as written, it is going to be tough this year, it is going to be tougher next year; and anybody who thinks they are going to be reelected by running away from the problem under this process is going to be sorely disappointed and is not going to be reelected.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIEGLE. Mr. President, we have just heard an astonishing admission from the Senator from Texas; and that is, he has just said that the Federal budget deficit for this fiscal year, fiscal 1986, is going to be somewhere between \$200 billion and \$220 billion. Now I do not know if he said that before, but if that is what is happening, if the deficit is now ballooning that much beyond what it was in the fiscal year that just finished, then it seems to me the time to do some deficit reducing is right now. Those are his numbers not my numbers.

I do not understand how we explain the contradiction. Five weeks ago, the Senator from Texas had printed in the RECORD the Gramm-Rudman proposal and it proposed a fiscal 1986 deficit figure which is the same one that I am offering right now. That was 5 weeks ago. On August 1, the Senate went on record and committed itself to meet that number with the vote of the chairman of the Budget Committee,

who just now said that he does not think that is quite achievable, but that is how he voted on that particular day, as did the Senator from Texas. They voted for that budget resolution, as did I, committing ourselves as a Senate to that budget deficit figure at that time.

Then, of course, it was reaffirmed by the Senator from Texas when he submitted his package for printing in the RECORD late in September, just 5 weeks ago. And now what we are hearing is, because we are about to embark on a new discipline—and there are many of us who feel here the time for deficit reduction is to begin now in the first year, precisely because the deficits are ballooning out of control—what are we hearing from the other side? Do they want deficit cutting? Not now. They are prepared to do it a little bit now. But are they prepared to live with the budget numbers established for this year? No, they cannot do that. That is too tough. We can be tough in the future, but we cannot be tough today. We can be against deficits out there in the future. We will get that budget balanced in 1991, but we cannot do anything about it now, because the horse is out of the barn; we have already started into the fiscal year. Well, we are not too far into the fiscal year. We are literally a month into the fiscal year. I am not prepared to discard the remaining 11 months and I do not think we can afford to, in light of this news that has just been brought to us by the Senator from Texas that he now expects the deficit this year to be somewhere between \$200 billion and \$220 billion but he is not prepared to make the first year trigger bite into that deficit.

Mr. GRAMM. Will the distinguished Senator Yield?

Mr. RIEGLE. I will in a moment. I will in a moment. I am glad I have the Senator's attention.

So here we are, with the deficit rising at the present time, we are being asked to pass and impose a mathematic discipline, but we cannot have it start now because we have just started the new fiscal year.

The fact of the matter is we have not passed most of the appropriations bills for this fiscal year. The time to start the savings is now. Some may argue—and I think there is some merit to the argument, the Senator from South Carolina has made it and others, that maybe the House target is a little too tight in the first year. The Senator from Texas thinks that the shoe would be a little tight on his foot. Well, I am offering a little larger shoe here. I am offering the shoe he wanted 5 weeks ago. And I am offering the shoe that he voted for us to commit ourselves to meet on August 1 of this year. I think it is a pretty good shoe. And I think we ought to put it

on and put it on now, not off in the future.

I yield for 30 seconds to the Senator from Texas.

Mr. GRAMM. I would just like to clarify my point. I said that outside groups predict the deficit between \$200 billion and \$205 billion. Firms like DRI, an outside private consulting firm, predict the deficit is going to be \$217 billion for 1986.

Mr. RIEGLE. What is the Senator's prediction?

Mr. GRAMM. When I was an economist, I got paid to make predictions. Now I get paid to try to keep bad predictions from coming true. That is what I am doing here.

Mr. RIEGLE. I appreciate what the Senator said. I remember another prediction the Senator from Texas made in the Gramm-Latta proposal of 1981, which passed into law. The prediction that was built into law, the promise that that was based on was that we would have a surplus by fiscal year 1984. When we got to 1984, we were a half a trillion dollars under water. That is what Gramm-Latta brought us to. So many of us are a little skeptical about exactly where we are at the present time with this proposal, especially when we now have plenty of information that shows that the deficit problem is immediate, but we are not hearing anything about any kind of immediate action. So it is being postponed, and it is important that everybody understands that.

I hope that my colleagues on the other side of the aisle would decide to support this amendment, because we can live with these numbers. You would be in a much stronger position if you vote for them, because it would take away the argument that you are trying to finesse the first year and trying to get by the election.

I think we can meet these targets. They would be tough to do, but I do not presume that you are saying we are going to avoid tough decisions in the future if this thing is going to work. I just do not think there is any excuse for not doing something now.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, my good friend from Michigan talked about the horse being out of the barn. Indeed, the horse is out of the barn. Let me read the deficit predictions from Data Resources, Merrill-Lynch, Chase Econometrics, and Wharton Econometrics today.

Wharton says, for this year, 1986, \$214.9 billion; Chase Econometrics, \$201.9 billion; Merrill-Lynch, \$198 billion; and Data Resources, \$217.5 billion. The Congressional Budget Office today says \$194.5 billion.

Do not worry about this horse being out of the barn. Do not worry about making tough decisions. We are going to have to catch this horse. The question is, are we going to hobble it or choke it? Because we are going to have to make immense reductions to get down to the target of \$190 billion we were shooting for.

And the target we are realistically talking about in this amendment, frankly, is \$180 billion, not \$189 billion, because with deficits of that size we are going to sequester down to \$180 billion, save only what pro rata part of the year is left. So do not worry about making tough decisions. We are going to make them. We probably will not like them. We are going to have to do them. But if anybody thinks we are going to get by easy in the next month or 2 or 3 months, they "ain't" seen nothing yet.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I rise in strong support of the amendment proposed by the Senator from Michigan. There is no reason to wait. The deficit target for 1986 should be fixed so that the crucial and too-long-delayed process of meeting our financial responsibilities begins today. It is our responsibility to act—not to push tough decisions off onto another Congress. The Riegle amendment would establish a maximum fiscal 1986 deficit of \$171.9 billion. Mr. President, this is precisely the deficit target that this Senate voted to meet when we adopted the budget resolution just 3 months ago. Why, with the red ink reaching record levels, should we settle for an additional \$20 billion increase in the deficit?

The economic damage—lost jobs, lost exports, unsold produce, and skyrocketing interest payments—continues. It will not stop because this Congress says that some day some Congress will cut the deficit. It will stop if, and only if, this Congress summons the will to act now.

I congratulate the Senator from Michigan and urge my colleagues to support this amendment.

Mr. DOMENICI. Mr. President, at first glance, this \$171.9 billion figure looks attractive. It is, after all, the deficit target, Congress set for itself in the budget resolution approved earlier this year.

But, Congress' own actions and inactions have made this figure unattainable this year.

In addition, the economy has fallen somewhat short of our growth projections, while inflation has been better than we expected: The upshot, we are already about \$8 billion short of the projected revenue mark in that resolution. Remember, Congress has little control over these revenues; it is large-

ly the fault of forces outside our power.

But, after we allow for the revenue shortfall, let's take a look at how Congress is doing, or likely to do, on spending matters wholly within its control.

Are House and Senate appropriations actions, reflected in conference reports, likely to cut spending enough to hit the \$171.9 billion deficit. The answer, based upon the conference report on the Treasury-Postal appropriations bill, seems to be "no."

Are House and Senate actions on reconciliation this year likely to help us meet our goals? The answer here is overwhelmingly "no," especially since 2 months of the fiscal year have almost passed now and we haven't yet acted on reconciliation.

Are House and Senate actions on the farm bill this year likely to help us save money there and meet the \$171.9 billion deficit target? The answer, once again, is "no."

If Congress is failing on appropriations bills to meet the targets it set for itself, and if Congress is cutting less and spending more on the farm bill, and if Congress cannot even pass reconciliation 2 months into the fiscal year, then how can Congress expect to meet the deficit targets it has set for itself?

The answer is that the proponents of this amendment know these facts as well as I do and, simply put, they have proposed the \$171.9 billion figure to destroy this new process before it ever gets off the ground.

The whole idea behind Gramm-Rudman-Hollings is that Congress will have 9 months in which to work its will and in which the President can act. It is only after these 9 months have expired that the dramatic process of sequestering begins.

To begin the sequester process this year, as most assuredly the \$171.9 billion figure would guarantee, is to perform radical surgery before the patient has had a chance to get the benefit from medicine. It is unwise and, in its most cynical interpretation, merely an attempt to destroy.

Just so my colleagues can keep up with economic reality, I would like to point out what the major forecasting firms are now saying about the likely deficit in this fiscal year of 1986.

Data Resources, Inc. has projected a deficit of \$217 billion for this year, even after allowing for full operation of the budget resolution and reconciliation. Their number presumably would be higher if reconciliation continues to be delayed and the farm bill comes in at its present level.

Merrill Lynch projects a deficit of \$198 billion for this fiscal year, also including full implementation of the budget resolution and reconciliation.

Chase Econometrics projects \$201.9 billion, with only some of our cuts

achieved; and, finally, Wharton Econometrics projects a fiscal year 1986 deficit of \$214.9 billion.

In short, the major forecasting firms would all project a deficit about \$40 billion higher for this fiscal year than the \$171.9 billion figure.

My colleagues may ask, and it is a legitimate question indeed, why we are going to have larger deficits.

The answers are clear: We will spend more than we promised we would spend; we will have worse economics than we hoped; and we will cut less than we promised we would cut.

CBO is among the more optimistic forecasters for fiscal year 1986. Yet, even CBO in its current law calculations for this fiscal year show that the deficit, absent further congressional action, will be closer to \$195 billion than to \$171.9 billion.

Just so my colleagues will know CBO's most recent calculation of current spending, let me share the information with the Senate:

Defense spending will be just about where it is now;

A few categories, like space and foreign affairs, seem likely to come in under their targets;

But, most functions will exceed their targets;

For example, agriculture is estimated to exceed its target by \$5.5 billion, before Congress passes a new farm bill, which will probably increase the excess spending, not cut it;

Revenues are down by \$8 billion;

Receipts to the Government are down, in some part due to lower oil prices and fewer bids for oil and gas properties; and

Spending for transportation will exceed by \$2.6 billion its functional total, as will spending in the income security function.

Now, we have to cut about \$6 billion in the next 9 months in agriculture to come close to the \$171.9 billion deficit goals. Are my colleagues seriously telling me they are going to do that? Or that they will cut transportation spending by \$2.6 billion or energy by another \$1 billion?

In sum, Mr. President, this is an amendment designed to destroy a balanced budget process before it can start.

We need to give this process a chance. I personally believe we should not sequester at all in fiscal year 1986, but give Congress and the administration a chance to operate the first 9 months of next year in order to reach what will be a tougher goal than any—\$144 billion deficit in fiscal year 1987. Give us a chance, and give this new process a chance.

Mr. RIEGLE. Mr. President, I think that we ought to review just very briefly the numbers we are talking about. My amendment would put forward the deficit figure for fiscal 1986, the figure that is in our budget resolution passed in August in the original Gramm-Rudman proposal. It is adjusted for the fact that the fiscal year has

started, so it sets a target for us of roughly \$175 billion for the coming year. I believe that is something we can achieve. It gives us some deficit reduction in the first year. It gets us started. It makes this real. It takes away the charge, which I believe is accurately made, that many people are not serious about doing this anytime soon.

We have heard the main sponsor of the bill say on the floor today that deficits, apparently, are going to be higher than have been predicted. He cites outside experts as having said that. I just think that is all the more reason to get started now. I believe when the finance markets hear that the deficits are going to be over \$200 billion but yet we cannot start with a deficit reduction, they are not only going to laugh about the seriousness about this year's effort, I think they are going to be alarmed that we missed the opportunity to do something about it.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. How much time remains?

The PRESIDING OFFICER. The Senator from Oregon has 1 minute.

Mr. PACKWOOD. And the Senator from Michigan?

The PRESIDING OFFICER. The Senator from Michigan also has 1 minute.

Mr. RIEGLE. Mr. President, I am happy to yield the 1 minute I have remaining to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 1 minute.

Mr. KERRY. Mr. President, I support what the Senator from Michigan is attempting to do here. As the Senate knows, and as my cosponsors of the bill know, I was a cosponsor with Senator Exon in the effort to try to change the date.

I just do not believe that if we are serious about reducing the deficit that we can avoid the fact that the committees have been meeting all year long. We know exactly what the choices are today, and there is nothing in the process that will change those choices next year.

We are as capable today of facing the hard realities as we will be then. And the only issue is do we have the political will to do it now.

The PRESIDING OFFICER. All time of the Senator has expired.

Mr. KERRY. This was the original number. I support seeing that original number in the legislation.

Mr. RIEGLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, I am prepared to yield back the remainder of time on this side.

Mr. President, I move to lay on the table the amendment of the Senator from Michigan, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to lay on the table the amendment of the Senator from Michigan. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Connecticut [Mr. WEICKER] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. ZORINSKY] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 281 Leg.]

YEAS—55

Abdnor	Gorton	McConnell
Andrews	Gramm	Murkowski
Armstrong	Grassley	Packwood
Boschwitz	Hatch	Pressler
Bradley	Hatfield	Quayle
Chafee	Hawkins	Roth
Cochran	Hecht	Rudman
Cohen	Heflin	Simpson
D'Amato	Heinz	Specter
Danforth	Helms	Stafford
Denton	Hollings	Stevens
Dole	Humphrey	Symms
Domenici	Kassebaum	Thurmond
Durenberger	Kasten	Trible
East	Laxalt	Wallop
Evans	Long	Warner
Ford	Lugar	Wilson
Garn	Mattingly	
Goldwater	McClure	

NAYS—43

Baucus	Glenn	Mitchell
Bentsen	Gore	Moynihan
Biden	Harkin	Nickles
Bingaman	Hart	Nunn
Boren	Inouye	Pell
Bumpers	Johnston	Proxmire
Burdick	Kennedy	Pryor
Byrd	Kerry	Riegle
Chiles	Lautenberg	Rockefeller
Cranston	Leahy	Sarbanes
DeConcini	Levin	Sasser
Dixon	Mathias	Simon
Dodd	Matsunaga	Stennis
Eagleton	Melcher	
Exon	Metzenbaum	

NOT VOTING—2

Weicker Zorinsky

So the motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 964

(Purpose: To exempt Veterans' Administration service-connected compensation from emergency orders reducing cost-of-living increases and to protect the prior year's outlay level for Veterans' Administration medical care)

Mr. RIEGLE. Mr. President, I send a veterans amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated:

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE] proposes an amendment numbered 964.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment of Mr. PACKWOOD, insert the following:

Sec. . . Notwithstanding any other provision of this Act, for the purposes of section 204 of this Act the following shall apply with respect to outlays for the Veterans' Administration programs, benefits, and accounts referred to in this section: Expenditures from the Veterans' Administration medical care account (36-0160-0-1-703) shall be deemed not to be controllable expenditures; a provision of law making an appropriation to such account for a fiscal year shall be deemed to be a provision of Federal law requiring an automatic spending increase to take effect during such fiscal year; the amount of outlays from such account that shall be considered the amount of the outlay increase to be reduced by a uniform percentage during a fiscal year (hereinafter in this clause referred to as the "current fiscal year") under subsection (b)(1)(A)(i) of such section is the total of all outlays made from such account for the preceding fiscal year (as estimated by the Director of the Congressional Budget Office) plus the amount of outlays which the Director of the Congressional Budget Office estimates will be needed during the current fiscal year for increases in outlays (over outlays during the preceding year as so estimated) for salaries and benefits in order to maintain employment under such account of the same number of full-time-equivalent federal employees employed under such account as were so employed during the preceding fiscal year; no provision of law increasing or authorizing an increase in a rate or rates of compensation or dependency and indemnity compensation, as defined in section 101 (13) and (14), respectively, of title 38, United States Code, or of a benefit paid under chapter 11 or 13 of such title shall be considered a law requiring an automatic spending increase; no expenditure for such compensation, dependency and indemnity com-

pensation, or benefits shall be considered a controllable expenditure; and no amount of budget authority for such compensation, dependency and indemnity compensation, or benefits shall be sequestered.

Mr. RIEGLE. Mr. President, this is an amendment that attempts to meet the most serious problems of America's veterans who are placed in jeopardy by the Gramm-Rudman proposition as it is now written.

I have talked with a number of people who are close to these programs, and we have been in touch with the various organizations that represent veterans in the country. At the end of my remarks, I will cite from letters I have received today from the American Legion, the Veterans of Foreign Wars, and other veterans' organizations. They state their very strong support for this amendment and why they think there is a strong case in equity for us to make this adjustment to the Gramm-Rudman proposal.

In terms of what this amendment would do, it comes in two parts.

The first part of the amendment deals with the veterans' compensation COLA adjustment, and it would exempt that COLA adjustment from automatic reductions which are now scheduled to take place under Gramm-Rudman.

What I am suggesting in this amendment is that we treat the cost-of-living adjustment for a veteran who has a disability for which he or she is receiving compensation the same way we are proposing to exempt it for Social Security recipients. If we should fail to do that, it seems to me that, in effect, we will initiate a discrimination against what I think can be safely said is the Nation's highest priority category of veterans—namely, those who suffer some impairment from service-connected disabilities.

The service-connected disability payment is based upon the average earnings resulting from that person's service disability, and each year that person's earning impairment is adjusted for inflation. They do not get any additional spending power, but they are protected against inflation, so that if inflation occurs, the buying power of the veterans' compensation is adjusted so that they stay even. That, I think, is a critically important factor, especially in the lives of this group of individuals.

President Reagan has been very outspoken on this issue. In his campaign of 1980, when he spoke to the VFW convention in Chicago, President Reagan said that cutting the compensation COLA's would be "a breach of faith with those who suffer from service-connected disabilities."

Since that time, in a couple of instances, he has attempted to back away from that commitment, but that is not something Congress has been willing to do, and I hope we will not do

it now. We can prevent it by the adoption of the amendment I offer.

I do not think there is any justification for striking out the cost-of-living adjustment for veterans in the category of service-connected disabilities. What we are talking about here are people with, in many cases, serious impairments.

In the case of veterans who have lost limbs, there is a total of about 23,000 individuals in that category—that is, having lost one or more limbs of their body.

There are another 36,000 who have lost the use of one or more of the limbs of their body and they are, therefore, in this category because of sustaining that loss in the service of this country.

Now, much has been said about contracts—contracts to defense contractors, contracts for agricultural programs, and, as a matter of fact, a great distinction is made in the Gramm-Rudman proposal to say that existing contracts have to be honored and they have to be treated in a special fashion, in a kind of exempt status.

I think we have a contract of an even more important kind with the service people of this country who served the country and who suffered a disability as a result of that service commitment on their part and who now receive a benefit to make up for the earnings lost and who receive a cost-of-living adjustment to protect them against inflation eating away the value of that service-connected disability payment.

So I think the contract idea, in my mind, is even stronger in this instance, where we have asked people to serve the country, and they have done so with valor and they have come back having sustained injuries of a major sort, and it seems to me it is appropriate that we take that into account when we look at their cost-of-living adjustment each year.

If we should fail to do this, this is the situation we are going to find: You will have on the same street in America, in two houses side by side, one neighbor who receives a Social Security payment, and that neighbor, when the annual cost-of-living adjustment is made for Social Security recipients because they are protected by the Gramm-Rudman package as it is now drawn, when the inflation adjustment is made, that person in that house who receives Social Security will receive the COLA adjustment and they will be protected against inflation; whereas, the next-door neighbor, who is a disabled veteran and who is receiving a compensation payment for that disability, that person will be denied their cost-of-living adjustment.

I do not know how we can say as a Senate or any other public-policy institution, that the family in the one house who is going to receive the cost-

of-living adjustment under the Social Security Program is entitled to it—as I think they are—but to then turn and say to the disabled veteran that lives in the house next door, "Sorry, you are not going to get your cost-of-living adjustment because somehow our commitment to you is not quite as important or something that we feel that we are bound by."

Well, I think it is as important and I think we are bound by it, and I think we have an obligation to meet it. So the first half of my amendment would be to protect that cost-of-living adjustment for those individuals who receive the veterans' service-connected disability compensation.

The second half of the amendment relates to a colloquy that the Senator from Texas, Senator GRAMM, and I had the other day on veterans' programs generally and whether the House version had been more responsive to the needs of veterans in this country or whether the Gramm-Rudman proposal was more responsive. It is very interesting that the veterans' organizations in the country have expressed themselves strongly preferring the House version and not preferring the Gramm-Rudman version. So I think they ought to be looked to in terms of the question of which version does a better job of protecting the veterans.

But in that discussion, as we talked about it, I said at that time that I would make an effort to try to take and provide more protection, important protection for part of the veterans' programs that I thought were the ones that were the most critical to the veterans in the country and particularly in the health care area.

So what the second part of my amendment does, it moves the veterans' health care program from category II over to category I. And in category I, that means that increases in spending for veterans' hospitals might have to be removed if we get into the sequestering process, but that they could not be cut below that; you could not go into the body of the fundamental health-care programs for veterans and the veterans' hospitals to make further automatic cuts; that we would put that particular area of the program over in category I so that it would bear some of the burden but it would not be subjected to major cuts or massive cuts which otherwise would occur if we had a major sequester order.

My thinking on that is this: You have in our population today a large number of veterans who are of an age from service in World War II or service in the Korean war or service in Vietnam or, for that matter, times other than that, in service to our country, whether for a long number of years or for a shorter period of time,

who are now getting into the age range where their health problems are mounting. So, as they turn to the veterans' hospital system, which was part of the understanding and commitment the country made when we asked people to serve—and they did serve and they served properly for their country—that we would have as part of our response to their service and to the interruption of their lives and their earning power and so forth and so on, we would have this health-care system available for them. It is important. It is important that it be there, but it cannot just be a shell. It has to be there in sufficient strength and with sufficient quality so that it really gets the job done. I am concerned about that even now as to whether or not we are doing a sufficient job in the veterans' hospital system.

But when Senator GRAMM and I were discussing this last week, he said the following, and I will quote from the RECORD. The Senator said:

I think it is an interesting commentary on the priorities of the House that they exempt all of these other programs and prior contracts but not veterans' health care. They exempted migrant health centers which serve in many cases, as we by these centers know, illegal aliens, though certainly American citizens are served and they did not exempt veterans' hospitals. Apparently, the House feels that migrant health centers are of a higher order of importance. These centers ought not to be part of dealing with the deficit. Veterans' hospitals which serve those who have fought and bled and died for America, and their dependents, are less important than all these other programs.

And I continue quoting Senator GRAMM from last week:

With a \$25 billion sequester order, you would have roughly a 10-percent cut in veterans health care expenditures.

If you take that down to what is provided, it could mean the potential layoff of 19,400 VA employees, 3,300 nurses, and 1,200 doctors. It could eliminate hospital care being provided to 140,000 veterans and outpatient care for 400,000 veterans.

That is the end of the quote from Senator GRAMM within the last week on this issue of this part of the veterans' health-care system.

I am going to do exactly what has been suggested by that comment, and I am going to protect, by moving from category II to category I, that veterans' health-care system. I hope that Senator GRAMM would support this amendment because, certainly, the tone of the exchange last week indicates that he sees this as a high priority and presumably something that ought to be done.

Now, if we should fail to do so, cutbacks in VA health care will result in many nonservice-connected VA patients being referred back to Medicare and Medicaid, which are also being cut back. This combined squeeze on the VA, Medicaid, and Medicare will result, I believe, in many of the lower

income veterans and other individuals being denied the health care that they need.

There is a strong need for stability within the VA health care system. They are having difficulty now getting the quality of doctors willing to make the kind of long-term commitments partly because of all of the uncertainty as to whether or not we are going to maintain our commitment to the veterans in terms of keeping the health care system strong in the years ahead.

So this amendment would provide that needed stability by preventing the automatic reduction ordered from cutting funds from the system to levels below those needed to maintain the currently authorized staffing level, which is a figure of 194,000 full-time employee equivalents.

Mr. President, a little later on, in the use of my time, I am going to read excerpts from four letters that the various veterans' organizations in this country have sent me to date indicating their very strong support for this amendment. I will only advise the Senate that I will do that, that I will read those later. I reserve the balance of my time.

THE PRESIDING OFFICER. Who yields time?

MR. RIEGLE. Mr. President, I am happy to yield to the Senator from California, who is a cosponsor of the amendment.

MR. CRANSTON. Will the Senator yield me 10 minutes?

MR. RIEGLE. Mr. President, how much time remains on our side?

THE PRESIDING OFFICER. Sixteen minutes and 40 seconds.

MR. RIEGLE. Mr. President, I yield 10 minutes to the Senator from California.

VETERANS' PROGRAMS

MR. CRANSTON. Mr. President, as the ranking minority member of the Committee on Veterans' Affairs, I rise in support of the amendment I am offering with the distinguished Senator from Michigan (Mr. RIEGLE) regarding veterans' compensation and health care. This amendment would modify the pending Gramm-Rudman deficit reduction proposal offered by Senator Packwood so as to assure fairness to our Nation's service-connected disabled veterans and to protect the Veterans' Administration's ability to meet our commitments to sick and disabled veterans. Our amendment would exempt, from any Presidential orders reducing or eliminating cost-of-living adjustments in various programs, VA compensation payments to service-connected disabled veterans and to the survivors of those veterans who die from service-connected causes and would protect from such Presidential orders the basic outlay level for VA health care.

SERVICE-CONNECTED DISABILITY COMPENSATION COLA

First, Mr. President, as to the veterans' compensation COLA, the pending proposal by Senator Packwood would exempt cost-of-living adjustments in Social Security benefits from any Presidential cost-cutting order. The exemption covers both old age and disability benefits.

I wholeheartedly support the full protection of Social Security COLA's. However, the benefits paid to this Nation's highest priority category of veterans—those who suffer from service-connected disabilities—and the survivors of those who have died from service-connected causes would not be similarly protected.

I wholeheartedly support the protection of veterans compensation COLA's.

How can the Senate deny this same protection to veterans suffering from service-connected disabilities and to the survivors of those who have died from such disabilities? I contend that to do so is blatantly discriminatory and totally incomprehensible. It is grossly inequitable and unjustifiable to permit VA compensation COLA's to be reduced or eliminated while full Social Security retirement and disability COLA's are ensured.

Mr. President, the basic amount of a service-connected disabled veterans' monthly compensation payment is based on the average impairment of earnings resulting from that veteran's disability. Since in almost every year that average earnings impairment will increase by inflation over the prior year, denial of a compensation COLA would be inconsistent with the philosophical underpinnings of this program.

I'd like to quote President Reagan on this subject of cost-of-living increases for the VA's Service-Connected Disability Compensation Program. In August of 1980, in a campaign speech at the Veterans of Foreign Wars' Convention in Chicago, he stated his view that it would be a "breach of faith" for compensation for those with "service-connected disabilities not to be kept abreast of inflation."

President Reagan and I don't see eye to eye on a great many issues. In this case, however, he and I are in total agreement—or at least we were in agreement when he was a candidate. Since that time he has backed off from that commitment by twice supporting budget proposals—rejected by the Congress—that would have denied full COLA's to service-connected disabled veterans.

Mr. President, to appreciate the potential inequity for VA compensation recipients, we need to examine what the effect of Gramm-Rudman would be for compensation when compared to other Federal payment recipients in

a directly parallel, high priority—but certainly no higher priority—program.

Let's take the case of a totally disabled, spinal-cord-injured nonveteran who is covered by Social Security and is receiving Social Security disability benefits. In a covered year when inflation runs at 5 percent, his benefits would be increased by 5 percent by a December cost-of-living adjustment. The Congress has assured this totally disabled individual of a full COLA, and the pending deficit reduction proposal has confirmed that assurance. That's as it should be.

Now, compare that disabled person's situation with that of his equally disabled neighbor, a paralyzed Vietnam veteran struck down on the battlefield whose spinal cord was equally severed and who accordingly receives VA disability compensation for his total and permanent disability. His compensation COLA—which traditionally has been provided by the Congress in the same percentage amount as increases in Social Security—would be subject to reduction and, possibly, even complete elimination under the pending measure.

Mr. President, both of these individuals, now condemned to life in a wheelchair, have paid for their benefits—one with monetary contributions—that is, Social Security payroll taxes—the other with the loss of the use of his legs and other bodily functions in service to his country. They are both truly entitled to these benefits.

But is one more deserving than the other? If so, is it the Social Security disability recipient? I think not.

Yet, the pending proposal, which is deficient in many ways but especially in this respect, would place us in jeopardy of a President saying to the veteran—even after the Congress has approved a full COLA in his compensation—"Sorry. Even though your neighbor is receiving a full COLA this year, Congress has required me to cut yours."

How can that result possibly be explained?

I don't believe it can be. Nor should it even be permitted to be possible.

There is no justification whatsoever for this inequitable result that discriminates against veterans disabled in service.

It is absolutely unacceptable to subject the more than 2.2 million veterans—more than 240,000 of them California residents—who have service-connected disabilities—injuries and illnesses sustained in service to our country—to the extraordinary authority in the pending proposal that could result in the denial or reduction of totally justifiable and totally necessary cost-of-living increases in VA compensation rates that are specifically voted for by Congress.

These service-connected disabled veterans—as well as the more than 330,000 survivors of veterans who died while on active duty or as the result of service-connected causes—have already made sacrifices for this country and, in many cases, have made extreme sacrifices. They should not, in any scenario, be asked to make additional ones that entail such inequity. More than 36,000 California widows and orphans would be severely hurt.

If all COLA's are subject to reduction, then service-connected disabled veterans ask no preferential treatment. But that evenhandedness is not the scenario proposed in Gramm-Rudman.

Mr. President, we must ensure that compensation for veterans who incurred disabilities in the line of duty and for the survivors of those who made the ultimate sacrifice is dealt with fairly and equitably. That is what our amendment would do.

NON-SERVICE-CONNECTED PENSION

Mr. President, I also want to point out that the only monetary benefit that our amendment protects is VA compensation paid to service-connected disabled veterans and DIC to those who have died from service-connected causes. Our amendment would not affect the VA Non-Service-Connected Pension Program—under which benefits are paid to needy wartime veterans who are either permanently and totally disabled from non-service-connected causes or are 65 years of age and older and to the needy survivors of wartime veterans.

In this connection, I note that, under section 214 of the pending Gramm-Rudman legislation, VA pensioners who receive some Social Security income would be treated in the same fashion as supplemental security income recipients who receive some Social Security benefits. In both cases, whenever a sequester order is in effect; that is, whenever a Presidential order reduces or eliminates VA pension and SSI, COLA's, the Social Security COLA would not be counted as income for purposes of this type of means-tested program.

The current VA Pension Program under chapter 15 of title 38, United States Code, is a strictly needs-based program. All family income, with very few and limited exclusions, is counted and reduces the individual recipient's benefits dollar for dollar. However, under section 3012 of title 38, VA pensioners receive annual COLA's at the same time and at the same percentage as Social Security beneficiaries. As a consequence, a pensioner's receipt of Social Security benefits does not, under current law, produce a decrease in his or her pension benefits.

But, in the absence of a provision such as section 214, a Social Security COLA paid to a VA pensioner in the same year that his or her pension

COLA is reduced to a percentage less than the Social Security COLA or is totally eliminated would produce a reduction in or the termination of the individual's VA pension. Section 214, however, would preclude those results, and our amendment leaves that situation as it is in the pending measure.

VA MEDICAL CARE

Mr. President, regarding veterans' medical care, our amendment, if enacted, would provide year-to-year stability to the system by preventing the VA's medical care account outlays from being reduced to an amount less than the preceding year's outlay level plus any pay cost rise during the year in question. This approach is designed to enable the VA to operate generally the same size health care system from year to year, employing generally the same number and mix of employees and providing generally the same number of inpatient and outpatient episodes of care to eligible veterans.

Without this protection, the Department of Medicine and Surgery will continue to face the uncertainty of never knowing what level of funding and staffing will be available in a given year. Although such uncertainty can be very disruptive to any program, it would be particularly destructive to the VA's health care system. The annual pull and tug of the budget and appropriations process in recent years has already been extremely disruptive for the VA system. Allowing for the type of wide swings in resources that were outlined with such concern on the floor Friday by the principal sponsor of this legislation, and which could result if our amendment is not accepted, could lead to enormous cuts in VA health care.

Mr. President, the VA health-care system, like any health-care effort, is very labor intensive—the current staffing level is approximately 194,000 full-time-equivalent employees—FTEE'S. The provision of quality health care depends very heavily on building a staff that can work effectively together and then in keeping that staff together. Sharp changes in staffing levels from year to year are directly counter to reaching that goal. It is vitally important that the VA be in a position to make and carry our long-range plans for how the agency will meet the health-care needs of the ever-increasing population of older veterans. Particularly in recent years, this effort has been frustrated by not being able to predict with any certainty the staffing levels which will be available in any given year. One need only imagine the level of uncertainty that the application of Gramm-Rudman would produce.

Mr. President, the VA health-care system is a vitally important national resource that we must protect and preserve. First, it is the means by which

we meet our very fundamental obligation to provide health care to veterans who are disabled during their service. In the current fiscal year, the system will provide inpatient care to 1.2 million patients and over 18 million episodes of outpatient treatment. Next, the VA's 172 hospitals, 228 outpatient clinics, and 116 nursing homes have been assigned by the Congress the role as the first backup to the Department of Defense health-care system in time of war or national emergency. Finally, the VA plays very vital roles in the education and training of our Nation's physicians, nurses, and other health-care personnel and in medical research. These latter roles are of importance not only to veterans but to the nation as a whole. Fully half of all physicians in the United States receive some training in VA hospitals; 25 percent of all U.S. medical students are doing so right now.

Cutbacks of the magnitude that could result if our amendment is not adopted would savage the system as it now exists and would cripple its ability to provide quality care to our Nation's veterans for years and decades to come.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a chart showing the effect of 5- and 10-percent reductions in VA medical care in terms of dollars, veterans treated, and staffing.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

IMPACT OF SEQUESTER REDUCTIONS UNDER
GRAMM-RUDMAN ON VA MEDICAL CARE

FY 1986 Appropriations for VA Medical Care (estimated by the VA)—\$9,358,694,000.

At this appropriation level, the VA in FY 1986 would employ approximately 194,000 full-time-equivalent employees (FTEEs) and would treat approximately 1,313,700 patients on an inpatient basis and would provide approximately 17,869,000 outpatient visits.

Impact of 5-percent cut	Impact of 10-percent cut
A. Workload reductions:	
100,394 fewer hospital patients treated.	Inpatients..... 200,788 fewer hospital patients treated.
451,773 fewer outpatient visits.	Outpatients..... 200,788 fewer hospital patients treated.
B. FTEE reductions:	
11,801 fewer FTEE	FTEE level..... 23,602 fewer FTEE

Mr. CRANSTON. With reference to the importance of the VA health care system, I was delighted to hear the Senator from Texas [Mr. GRAMM] seem to express his strong support for that system in his remarks on the floor last Friday in connection with his description of the House alternative. If the Senator truly believes, as he seemed to indicate, that the VA health care system plays a very vital role in serving our Nation's veterans, he will join with us in this amendment to help protect that system.

COMBINED EFFECTS OF MEDICAID AND VA
MEDICAL CARE CUTS

Mr. President, it is important to note that, under the Gramm-Rudman proposal, Medicaid and Medicare funds are subject to being sequestered, and the combined effects of sequestering both these programs' funding and VA medical care funds could be devastating.

If the Senate rejects our amendment to maintain the VA health care system at approximately its current capacity and VA medical care accounts are sequestered, veterans whose VA eligibility is based on their inability to afford the care they need will be a major category of those to whom the VA will be forced to deny care. Many of those veterans turned away from the VA, will seek care under Medicaid. With Medicaid programs also being forced to cut back, there would be no available capacity in them to take on the overflow from the VA.

Depending on the amounts of VA and Medicaid funds that are sequestered, the result obviously could be that Medicaid resources would be stretched far beyond the breaking point and large numbers of low-income veterans and others eligible for Medicaid would be unable to obtain the health care they need.

Moreover, as Medicare funding is reduced under Gramm-Rudman and the levels of Medicare payments to doctors and hospitals fall, some may stop taking Medicare patients who are unable to make substantial out-of-pocket payments. In some areas of the country, this could make it difficult or impossible for low-income elderly and disabled individuals to obtain the care they need through use of their Medicare entitlements. In these areas, the situation I just described would be further aggravated.

Thus, Gramm-Rudman would create some very harsh realities, and I want my colleagues to understand those realities very clearly. What is before us is the potential denial of health care benefits to low-income veterans and other Americans who may have nowhere else to turn to get the care they need.

VA MEDICAL CARE WOULD NOT BE REMOVED FROM
THE POT

Mr. President, I want to make clear that our amendment would not protect the VA health care system from all harm from a deficit reduction order pursuant to Gramm-Rudman. With the continuing inflation in health care costs, providing for the VA system generally no more than the appropriation level of the prior year would represent a reduction. In addition, if the VA wants to bring a new facility or program on line in such a year, it will be able to do so only by taking the resources from elsewhere in the system.

Although the VA medical care account would be given some measure of

protection under our amendment, this \$9.3 billion is not being removed from the so-called pot—the collection of programs and accounts in which cuts in COLA's or other increases or in budget resources could be made. Rather, we are proposing simply to protect the VA health care system from extremely sharp cutbacks in its ability to provide care for sick and disabled veterans. Substantial cuts from appropriations would still be possible to be made by Presidential order. Taking the most recent years for which figures are available, fiscal year 1984 outlays under the medical care account were \$8.244 billion; the fiscal year 1985 increased pay costs were \$179 million; and fiscal year 1985 appropriations were \$8.792 billion. If Gramm-Rudman had been in effect with our amendment to it, a Presidential order could have made a cut of up to \$369 million in the VA medical care account. A cut of that magnitude would be very serious. My concern is that Gramm-Rudman prescribes a formula for even deeper cuts and our amendment would prevent that. It is, thus, extremely important for the continued maintenance of a strong VA health care system that our amendment be adopted.

Mr. President, I understand and appreciate the impetus to try to keep as many programs as possible in the pot, so to speak, so as to spread any potential reductions around as widely as possible. However, I sincerely believe that the VA health care system should have a measure of protected status. It is the keystone of the VA's various programs of benefits and services to our Nation's veterans and, as such, should not be put at risk in the way this legislation would do.

NEW FACILITY ACTIVATION ANALYSIS

Mr. President, Senators will recall from debates earlier this year regarding funding levels for VA health care—specifically, in May, in connection with the fiscal year 1986 budget, and just less than 3 weeks ago in October, in connection with the VA's fiscal year 1986 appropriation—that I noted that when the agency is faced with having to make significant cuts in the medical care account, it has two basic choices. Either it can reduce the level of staff, with the associated reductions in the numbers of inpatient and outpatient episodes of care, or it can slow down or stop planned activations of new projects or facilities. With reference to this later alternative, the VA has plans at present to activate 95 such projects in 33 States in fiscal year 1986 and fiscal year 1987. If faced with cuts of the order of magnitude that could result if Gramm-Rudman were enacted without our amendment, any or all of these projects—all of which contribute to the agency's continuing efforts to keep the system up-to-date

and capable of providing quality care to eligible veterans—could be substantially delayed or dropped completely.

Mr. President, this is certainly no way to manage this vital national resource. The Congress has a long history of supporting VA programs to meet the needs of our Nation's veterans, and we should not now be risking pulling the plug on the health-care system and allowing its strength, quality, and vitality to drain away. Rather, in light of the ever growing number of older veterans who are turning to the VA to receive needed care, this is the time at which we in the Congress should be standing firm in our commitment to maintain the system.

Mr. President, on October 18, the Senate voted 36-56 not to table the amendment that Senator MURKOWSKI, I, and Senator DeCONCINI offered to restore \$166 million to the VA medical care account. A vote to reject this amendment today would be a vote to permit the undoing of that successful effort which received much bipartisan support.

CONCLUSION

I strongly urge my colleagues to join with Senator RIEGLE and me in support of this amendment to preserve service-connected disability compensation COLA's expressly enacted by Congress and to protect the capacity of the VA medical care program.

Mr. President, I yield back whatever time I have remaining.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I thank the distinguished chairman for yielding.

I would like to begin by posing a question to our distinguished colleague from California and our distinguished colleague from Michigan.

We voted on an amendment by Senator BOREN, Senator EXON, and Senator BOSCHWITZ to put Social Security back in the process, and I would like to ask our distinguished colleague from Michigan how he voted.

Mr. RIEGLE. The Senator from Michigan voted the other way. The Senator from Michigan thinks the Social Security system should not be subjected to the automatic cuts.

Mr. GRAMM. Reclaiming my time, the point I would like to make in starting this debate, with all the self-righteous flailing that is going on here, is that I voted to include Social Security in the process and the Senator from California and the Senator from Michigan voted to exempt it. Let us start with the facts.

I doubt if there is anybody in this body who has benefited more from veterans benefits than I have. My father was totally disabled. He died in a veterans' hospital. Both my brother

and I attended college under the War Orphan Act and my mother draws a veterans' indemnity compensation payment. I know the veterans' programs well.

I have argued that the greatest problem with the House package is that by exempting all of their sacred-cow programs from the social welfare means-tested programs to the great majority of agricultural programs to defense contracts, that they ended up with a sequester pot that is so small that if in fact we were forced to sequester, programs that are far more deserving than the ones they exempt—and I mentioned the veterans' health care systems specifically in that process—would take twice the cut under their sequester order for a given level of overage than under ours.

I have consistently, as a Member of the House and as a Member of the Senate, in each budget debate worked to try to preserve the basic benefits of the veterans' program. I have done so, Mr. President, because budgeting is where one makes choices, and I have always believed that we have gone too far in providing benefits to people who have never done anything for America to the exclusion of benefits for those who have. And veterans have done their share for America.

In fact, I went home last weekend and in all of my meetings there were dozens and dozens of DAV members and members of other veterans' organizations asking me why veterans were not exempt from this process.

I responded to them then as I argue to you now that under the Gramm-Rudman-Hollings proposal no on-budget item is exempt.

I would argue here that while I believe the veterans' programs are among the most important programs that are undertaken by this Government, while I believe that there are few in America that can lay claim to a legitimate piece of the public purse as strongly as veterans can, we are talking about a process here to deal with the No. 1 problem in the country, the deficit. No individual interest is as important as America's interest.

I believe that a key element in this bill is that within our ability to control the process every part of the budget—every part of the problem, no matter how important that program is, whether it is VA health care or AIDS research; whether it is Indian health care; whether it is community health centers, whatever your particular pet program is, and I guess you could say that veterans programs are mine—those individual programs, as important as they are, are not as important as the future of America. That is what Gramm-Rudman-Hollings is about.

I believe to grant this exemption, to grant an exemption of over \$20 billion, would be to undo the Gramm-Rudman-Hollings proposal because

the beauty of this proposal is it allows any Member of the Senate to stand up and say, "Any item that was on budget that was part of the problem is required to be part of the solution."

When we adopt a budget which will have to have a deficit of \$144 billion or less—the President will have to submit it by January 15 and we will have to adopt it by April 15—I intend to give a very high priority to national defense and to veterans' programs. I intend to fight for those programs.

But as strongly as I believe in them, I do not think that they or any other program that is on budget and part of the deficit problem should be exempt from the sequester order. Only if we all have a stake in making the budget process work, only if our individual political oxes are going to be gored if we do not deal with the deficit problem, only at that point are we going to have the kind of discipline that will induce each of us to do our duty to the country and to the forgotten people whose programs we are not debating here. We have debated over the last few hours, and will debate the rest of the day, the benefits of those who get Government programs, and many are deserving. But the Gramm-Rudman-Hollings bill is for another group of people who are seldom discussed here on the floor of the Senate except when it is time to raise their taxes. That group is made up of people who do the work, pay the taxes, pull the wagon, and make America work.

I am opposed to this amendment. Had we exempted Medicare I would have cosponsored this amendment. Had we exempted Medicaid, I would have cosponsored this amendment and voted for it. Had we exempted any other program that was set out in an amendment here, then in my mind we would have been forced to exempt this one because this program has a stronger claim than Medicaid, Medicare, or AFDC. But we did not exempt those programs.

We defeated an effort to exempt Medicare. I understand that Medicaid and AFDC will not be offered.

Voting yes on a motion to table is a consistent vote for keeping everything in the pot so that if, God forbid, we do not do our job, if there is a sequester order, we will have \$500 or \$600 billion in the pot. If we start exempting all of our favorite programs, then those that are unfortunate enough to be left will be decimated in the process.

That is why I oppose this amendment. That is why I urge my colleagues to vote for the motion to table.

Mr. RIEGLE addressed the Chair. The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I am going to wander deep into the thicket again in a brief 7 minutes.

Mr. President, I previously chaired the Veterans' Affairs Committee and I say God bless Senator FRANK MURKOWSKI the present chairman because I have learned how you can take a load of stuff from some of the veterans' organizations in this country and, man, they can do a magnificent job on you.

There is a myth that floats around this curious arena that service-connected disability compensation is only for those veterans who are injured or disabled as a result of combat.

That is not the truth. Nothing is further from the truth. You will hear this from some veterans' organizations using emotional rhetoric to sway some very patriotic Senators to support the welfare of their members. I think we ought to be aware what we do when we get into this situation and deal with issues like this: let's look at 10 percent disability. That is 40 percent of the disability compensation in the records of the Veterans Administration. Those disabilities consist of things like superficial varicose veins below the knee, mild ulcers with symptoms once or twice a year, flat feet, hammer toes, frostbite. Some of that could occur while you were stationed at Fort Carson, CO, and ripped up your knee at the ski run at Vail, or in the mess tent when you jabbed a potato peeler in your leg while you were doing KP, or become involved in an automobile accident near an off post bar after having a few or becoming involved in many, many things that have absolutely nothing to do with combat-related activity.

I say again, Mr. President, and I shall say it one more time: Show me a combat veteran or veteran from a combat theater with any type of ailment or malady or condition and I say give him anything it takes—anything they need—and I shall be right there to do that. But, for heaven's sake, if we are going to sit here in this Chamber and just pull up the chairs and tug the carpet over the top of us every time the veterans come to town—well that is why we have a \$27 billion Veterans' Administration budget. And, brother, I have been there.

Then they say, "Well, I know, but you were there and you should help."

I was in the service and I served 2 years. I was very proud to do that. It is always fascinating to me to see how many nonveterans get into this argument. That is curious to me. I put in my 2 years. They didn't.

They say, "You are a member of the VFW." Well, they say, how do you join that? Well, to do that you are an overseas veteran of the Second World War or other conflict. I am very proud to be a lifetime member of the V.F.W.

How did I achieve that particular status? I served in the Army of Occupation in Germany in 1955 and 1956—now, hear that. There was not any war going on. The Army of Occupation was nearly concluded and yet the war ended in 1945.

That has happened in every situation with regard to the veterans' programs. They have extended and extended the period of service in a "war-time period."

I do not even know what the condition is for "wartime" in Europe, but it must have gone to 1955 or 1956, because I am a Veteran of Foreign Wars. The Korean war was stretched far beyond its time. The Vietnam war, there we were after asking for a new date of inclusion of those veterans within expanded dates of that conflict.

What is the reason for that? I can tell what the reason is: To expand the jurisdiction and benefits available in the Veterans Administration and to increase the ability to up the membership in the veterans' organizations. That is the way it is. That is called real life.

These disabilities—I have heard this phrase banded about about all disabled veterans being wartime veterans, combat veterans—I mean, that is not so. There are 30 million veterans, and maybe 3 million of them never heard a live round whistle beside their head in a combat or life-threatening situation.

I say let's take care of those veterans and do it in spades, but for heaven's sake, to get into this argument, to try to say that a person who had hypertension from sucking up the suds at the officer's club is now entitled to the same compensation as a guy who was out leading a rifle platoon in combat—somebody has their priorities all messed up.

Every time we try to probe it, we cannot get the figures, because it is best not to get the figures because the VA has a constituency and a bureaucracy to respond to and the veterans' organizations have a membership to nurture.

There we are. Then go take a look at the list of 43 presumptive diseases. Those are diseases that can result and often come to us all in the ordinary course of living, chronic diseases like arthritis, cirrhosis of the liver, diabetes—diseases that can come to anyone, whether they have been in the service or not been in the service. We did that out of pure pressure in years past, but I can tell you, Mr. President, every time you try to give priority to certain services of the VA, and try to take special care of the combat veteran or give them anything they require—you can't find the figures and the service organizations would gin up their troops and bring down on my old bald head an avalanche of mail. Now Senator FRANK MURKOWSKI, of Alaska, is the benefi-

ary of all that material. It is assuredly enough to break your mailroom down.

I found it to be true as a couple of those groups attacked me in a very personal way this year and I decided to respond, and I did so and we will all be lucky if we ever see it in their monthly publications. At least, I told them to stick it in there.

That is the publication I am speaking of.

So I sent along a letter to my colleagues in the Senate. It should be called, "How the Fun and Games Work in Some of the Veterans' Groups."

I ask unanimous consent at this time that a copy of my "Dear Colleague" letter of October 21, 1985, and accompanying material be printed in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, October 21, 1985.

DEAR COLLEAGUE: Early in the Session the tough chore of chairing the Senate Veterans' Affairs Committee fell upon (I think that is a correct description!) my fine and genial friend Frank Murkowski. Now that I have relinquished the "reins of power", I just thought I might share with you some of the activities of two of America's veterans organizations at their last national convention in August. They have always seemed to enjoy hammering around on my poor old bald dome and I thought I'd share with you my response to them. I have asked them to publish these remarks in their national magazine—where they love to do their heavy yammering and hammering on the Congress and its wavering members—but don't bet a wad on it!

Good Lord, I really just don't know how much more we can do for the veterans of the United States—but I guess there is simply no limit to the demands that will come to us. So it goes. But I thought I'd kind of like to "set the record straight".

I thought I'd share it all with you, because I know of your basic interest in a trait around this place that we try to always engage in with each other. It is called fairness. I often have recommended it to the veterans organizations as they deal with the Congress as they try to hone up their pitch on us every year as if we had done absolutely nothing at all for the veteran of this country. That offends me as a veteran and it may offend you too. The fiscal year 1986 budget is \$27,450,000,000 in new budget authority, so we must be doing something right. And of course we are—and always have.

I just wanted to share these things with you.

With best personal regards,

Most sincerely,

ALAN K. SIMPSON,
U.S. Senator.

LIST OF ENCLOSURES

1. June 1985 DAV Magazine article by National Commander Chad Colley.
2. June 18, 1985, letter from Al Simpson to Charles E. Joeckel in response to comments of Commander Colley and Mr. Joeckel.

3. Report by Charles E. Joeckel, DAV, presented at the DAV National Convention on July 21-25, 1985.

4. October 22, 1985, Op-Ed response of Al Simpson to report of Charles Joeckel (Enclosure #3).

5. Comments of Billy Ray Cameron, National Commander-in-Chief of Veterans of Foreign Wars, at the VFW National Convention on August 18-23, 1985.

6. October 1985 VFW Magazine article setting forth excerpts of Commander Cameron's speech (Enclosure #5).

7. October letter of Al Simpson to Cooper T. Holt, VFW, in response to enclosures #5 and #6.

COMMANDER'S VIEWPOINT—CUTTING COSTS AT ANY COST

(By Chad Colley, National Commander)

Senator Alan Simpson (R-Wyo.), who is a former chairman and current member of the Senate Veterans' Affairs Committee—pulled out their remaining arsenal of twisted logic and false representations.

Quoting from the Congressional Record, we hear Mr. Simpson proclaiming, "Do you know that millions of them [veterans] never left the United States, never served over one year and don't know a mortar tube from either end and yet draw every single benefit that a combat veteran does?"

Senator Simpson knows that statement isn't true. He must, having served so many years on the Veterans' Affairs Committee. Yet he uttered it, apparently with complete conviction and, most assuredly, in direct opposition to Senator Cranston's amendment. Why would he stoop to such a tactic?

Indeed, why would he also characterize the staffs of veterans' service organizations—and the staffs of the veterans' affairs committees themselves—in the following words: "They keep cranking it out in the bowels of this system through these staffs, through extraordinary novelty and adventurism, a lot of it from guys who feel guilty because they never served in the U.S. Armed Forces. That is a tedious, ponderous, pathetic process."

Never served? A pathetic process? Can he admit to many years of close contact with the staffs of organizations like the DAV—and his own staff on the Senate Veterans' Affairs Committee—and charge these people are guilty civilians? Mr. Simpson spent an equal number of years engaged in preserving and protecting veterans' programs and benefits. Yet now is he telling us those years were nothing more than "a pathetic process?"

No, what I think Mr. Simpson is telling us now is that he, too, believes it's time to cut costs at any cost. And he's willing to go to any length to accomplish that goal.

Later on in the debate, when perhaps he's sensed even he's gone too far, the Wyoming Senator back-peddles a bit. He says he admires the VFW and AMVETS, both organizations to which he belongs. Then he charges: "But they have a need to get their membership up, and the way they do it is to pretend that every veteran in America is disadvantaged. And that is a pretty poor way to do business. I tire of it. I think the rest of us should tire of it."

Frankly, I'm tired of hearing these kind of charges leveled again and again by people who'll do anything to scuttle the VA.

And as the focus switches to the House of Representatives and their debate over the VA budget, I expect I'll get tired of hearing it still again. But whether these charges are uttered in the House or the Senate, it makes

no difference. They're still not true. And they're still coming from people who view the VA as simply the ripest fruit for picking from the fiscal tree.

U.S. SENATE

Washington, DC, June 18, 1985.

CHARLES E. JOECKEL,
National Director of Services, Disabled
American Veterans, Washington, DC.

DEAR BUTCH: Come on now, Butch—you're getting a little juiced up there yourself! I just recently read your article in the DAV Magazine entitled, "Against the Grain", and if you are going to just pull parts of my statement out, why not share with your readers my entire statement. I enclose it for you and would very much appreciate your sharing that with your membership in the sense of fairness. You have always been very fair and up front with me and I think it is only fair to share with them the entire statement. That's not too extreme of a request, is it?

I was also fascinated by the comments of Chad Colley, the National Commander. I must say that it is always a puzzler to me how the entire journalistic effort of the DAV Magazine seems to be that we are doing nothing for the veterans of America and that there is some extraordinary all-out assault and effort upon veterans' benefits by every single member of the United States Senate. That's absurd, Butch. You know it too, my friend. So you keep cranking it out and I'll keep cranking in my little letter to the editor and hope that you might see fit to publish snatches and pieces of it at least so that "my side" can be stated.

I always greatly enjoyed my association with you and all officers and members of the DAV when I was Chairman of the Senate Veterans' Affairs Committee. It would thrill and please me ever so much to see a fine article on your pages one day, telling what the United States Congress has done for the veterans of America that amounts to now almost \$27 billion a year of support to a most extraordinary array of veterans—only a small percentage of whom ever served in actual combat—or even in actual combat theaters of our various wars of history. I don't think that should be withheld from your membership or from the citizens of the United States, because I think that the "average joe" out in this country—veteran or nonveteran alike—feels that any veteran who was in combat—or even in a combat theater and was actually involved in a situation where a live round whistled through the air near his duty station—that indeed for that veteran we should do "whatever it requires". But the others who were involved with nonservice-connected disability and were reviewed under various other eligibility measures and standards should be considered under a "means test", in order to conserve resources of the Veterans Administration for those who are the most deserving.

I logged in a couple of years of my life in the armored infantry in Germany during the tail end of the "Army of Occupation" in that country. I really didn't think of myself as having done any great "outstanding service" to my country—just meeting a responsibility and duty of citizenship. I just never realized until I got here how many had served less than a year, never left the U.S., were never involved in any type of combat arms training—and they draw every single benefit that a combat veteran receives. People don't know that. My comments are not made in any attempt to try to make

"lesser" persons out of certain veterans—but it is one of the realities that face us in the budget situation confronting the United States.

Your organization and the other fine veterans organizations are continually advising and counseling me that you are "willing to do your share", but when we get right down to the hard, tough choices of making the cuts—not just giving up cost-of-living allowances—but making the adjustments to get the money to those who most deserve it, by gad the old mailroom pretty well breaks down! You know how to crank it out—and I sure know the feeling!

I hope you might see fit to have the intellectual honesty to share the full text of my remarks with your fine readers.

Thanks, Butch, I always enjoy my visits with you and working with you around this fascinating arena.

With kind regards,
Most sincerely,

ALAN K. SIMPSON,
U.S. Senator.

PORTION OF REPORT BY CHARLES E. JOECKEL, JR.

On Capitol Hill, we've faced opponents who profess more of a moral commitment to an accountant's ledger than to America's veterans.

We've watched the traditional enemies of veterans' programs progress from simple stalling tactics over pending legislation, to outright lying about the impact VA programs would have on the national deficit.

We've listened as men, like Senator Alan Simpson of Wyoming, described us as participants in (and I quote) a tedious, pathetic process.

We watched as efforts were made to restore the proposed VA budget to minimum levels in the Senate. And the response to that effort was as mean-spirited and loud an effort at senatorial character assassination that we've ever seen in that body.

We heard our military men and women described as people more interested in the security of their retirement programs than in the security of the nation.

We listened as Administration officials looked our National Commander in the eye and asked "What's so special about disabled veterans?"

Well the man who asked that question is on his way out of the Administration—if he isn't gone already.

David Stockman is gone too.

Now I'm wondering about Senator Simpson's plans for the future.

Now here's a man who provides us with a particularly interesting example of Congressional disdain for veterans. The Senator from Wyoming likes to continually recall that he served in the military, but that he never expected anything in return from the VA. He figures, then, that no other veterans need VA programs and services.

Well, Senator, not all of us are the sons of former Senators.

Not all of us were born with a silver spoon in our mouths.

Not all of us came out of war without so much as a scratch.

Some of us spent more time looking down the barrel of an enemy rifle than looking down the bottom of a glass at the Officers' Club.

Senator Simpson, some of us will spend the remainder of our lives in pain and in darkness. Some of us will never run with our sons. Some of us will never see our

daughter's first prom dress. And some of us—too many of us—will never again journey into the world outside a hospital ward.

Yet, Senator Simpson, even though we know our families could never pay for the kind of medical care and rehabilitation we would need, we'd do it all over again if we had to.

We'd risk our lives and limbs all over again because we believe gentlemen ranchers from Wyoming have the right to run their cattle in a free land. We believe this nation is too precious to sacrifice one ounce of freedom, one drop of democracy.

And we'd risk it all again, secure in the knowledge that more Americans embrace Abraham Lincoln's philosophy than Alan Simpson's rhetoric.

In the meantime, men like Senator Simpson will continue to mislead the public. Be assured that even though David Stockman is gone, hundreds of Stockmans stand ready to replace him.

Now we have a new chairman of the Senate Veterans' Affairs Committee who practices his own brand of deception.

Frank Murkowski of Alaska writes in his monthly chairman's report that "veterans took a most honorable oath when they enlisted. And whether they actually participated in armed conflict is, for the purpose of receiving veterans' benefits, secondary to the concept that they were ready to fight."

But that's not the way he votes on the floor of the Senate. He votes for a VA budget that would result in the widespread denial of care for hundreds of thousands of veterans. And, perhaps most important, he remains strangely silent when the enemies of the VA rise on the Senate floor and spout half-truths, innuendoes and downright lies.

Yet no matter what tactics they use, no matter what schemes they hatch, we of the DAV are equal to the task.

THE REST OF THE STORY: CONGRESS HONORS ITS OBLIGATION TO VETERANS

It seems a little tedious to me. The tone rarely changes as the Washington-based officers of the DAV launch their annual hysterical attack on Congress. The dire and dramatic warning is always that Congress is ready to abandon America's veterans. What guff. As a frequent target of DAV blasts from the Washington crew, I finally feel compelled to respond.

I must say that it is always a puzzler to me how the entire effort of the DAV's Washington-based staff and its publication, the DAV Magazine, seems to be to portray that we are doing nothing for the veterans of America and there is some extraordinary all-out assault upon veterans' benefits for every member of the United States Senate. They all would flunk a saliva test.

Would Congress ever fail in its obligation to this country's veterans? No. And it is absurd to make such charges in light of all that Congress has done—in recent times as well as in past years. It would thrill and please me ever so mightily to see one fine article on your pages one day, telling just what the United States Congress has done for the veterans of America. We have done more for the veterans than for any other group in America. That is so. I believe that.

The Veterans' Administration budget will total some \$27.45 billion for fiscal year 1986. That is the third largest budget of any agency of the government. The staff of the VA exceeds 220,000 full time employees—second only to the Pentagon in terms of numbers employed. This country's VA system boasts the largest health care deliv-

ery system of its kind in the world with 172 major medical centers and 185 outreach clinics and their satellites. There are 226 outpatient clinics, 103 nursing homes and 16 domiciliaries. VA compensation, pension and other benefits alone exceed \$15 billion a year in payouts.

The most important thing that Congress can do for all Americans—veterans, too—is bring down the awesome federal budget deficit. Every function of our government must be included in this process—the VA, too. The DAV and other fine veterans organizations are continually advising and counseling me that they are "willing to do your share", but when we get right down to the hard, tough choices of making the cuts—not just giving up the cost-of-living allowances—but making adjustments to get the money to those who most deserve it, then by god the old mail room just breaks down!

This year's VA budget provides for continued care for our veterans while bringing about some very necessary and important changes in order to improve veterans programs while at the same time maintaining some small semblance of fiscal responsibility. Why don't you engage in constructive discussions with us now as we start off on next year's budget? The budget deficit will make competition for the federal dollar ever-tighter in years to come.

How did we ever get to the point in this country where we assume that every veteran is somehow "disadvantaged?" That suggestion is offensive to me as a veteran. I know that it is offensive to other Americans—veterans and non-veterans as well. And not every disabled veteran is 100-percent disabled. To the contrary, 70-percent of the service-connected disabled veterans are classified as "30-percent disabled" or less. I am not, in any way, attempting to make "lesser" persons out of certain veterans—but it is one of the inescapable facts of defining priorities that we have to face in the budget situation confronting us. When the DAV rolls out the cannons filled with a grapeshot blend of hysteria, hype, emotion, guilt and misinformation, they seem to portray every veteran as being wholly disadvantaged and 100-percent disabled. How unfortunate.

I have been criticized for my statements concerning veterans who abuse the system—the guys who know how to work the programs. We all know that they are there. Most of us served with one or two. When Congress talks about limiting or changing the system, we should direct our efforts towards the guy who mashed his big toe in the mess tent at the end of a three-day drunk looking for a bottle of lemon extract, or who bunged up his knee on the ski slopes while on leave from Ft. Carson—and who collects the same benefits as the serviceman injured in the anguish and raw pain of combat. I continue to be perplexed as to why such questions threaten the Washington-based leaders of the DAV. Why not join us in our efforts to preserve the integrity of the VA system?

Reality in the face of awesome federal budget deficits forces Congress to look at ways to get the best possible use out of Uncle Sam's dollar. In veterans programs, we are looking at two specific methods of achieving those savings. Both are controversial.

A "means test" is intended to clearly delineate between service-connected versus non-service connected disability eligibility. Another proposal involves the issue of "third party reimbursement"—a measure

that would allow the VA to obtain reimbursement for disability care that is not service-connected. The Senate Veterans' Affairs Committee has passed those two measures. We all recognize that there are fiscal realities. So, why not help the Congress find the best way to face those realities while also facing the responsibility we have to America's veterans.

As the former Chairman of the Senate Veterans' Affairs Committee, boy do I know first hand the power of the veterans' lobby! I have become accustomed to the emotional attacks lobbed at me by the DAV and their Washington representatives such as Butch Joeckel. Such attacks do nothing more than confuse the issue. Veterans service organizations have the ability and the tax exempt status to pull the trigger and flood a Senator's mail room on a moments notice—mine has been deluged on a number of occasions, but that has done nothing to shape a constructive debate.

So, let's drop the drivel and deal with directness. This country's veterans—and I among them—have fought to preserve America's freedom—we have an obligation there that will never be forgotten. There is another great battle going, and the Congress is currently engaged fully in it with the federal budget deficit. It is a battle to preserve our country for future generations. We had best not fail. So, we might just try to work together. I look forward to that.

Even though the chairmanship of the Senate Veterans' Affairs Committee has recently changed, believe me our problems have not changed. Senator Alan Simpson continues to place the burden of balancing the budget on the backs of wartime veterans. If he gets his way, compensation and medical care will only be for those with combat related disabilities. How many times have we heard him belittle the heroic actions of our comrades who were fortunate enough not to have been wounded in combat. Let me read to you what Senator Simpson said on the floor of the Senate May 9, 1985: "You walk up to a guy on the street and say, 'What should we do for the veterans of the United States?' and he says, 'Anything it takes,' and then you say, 'Do you know that millions of them never left the United States, never served over 1 year and don't know a mortar tube from either end and yet draw every single benefit a combat veteran draws?'" That is what the former chairman of the Senate Veterans' Affairs Committee is telling people—you and I both know that's not the way it is.

You show me one veteran who served during a noncombat period and draws any GI bill benefit, purchased a house with a VA guaranteed loan, or is drawing a pension. I sure don't know of any and I doubt the Honorable Alan K. Simpson does either.

Now, let me read you something that Simpson had to say about service-connected disabled veterans, "Millions of them may have been injured by something that happened while looking for a case of lemon extract in the mess tent to finish off a 3 dayer . . . that have been drawing a green check for 20 years." Where does he get off characterizing millions of our service-connected disabled comrades as a bunch of guys who were injured while trying to get over a 3-day drunk! Simpson also sarcastically stated, "For Heaven's sake, we have done more for the veterans of the United States than any other group within our society." We all know that's not true—Congress has done more for themselves than any other group

in America. Even if Senator Simpson is right, I say, why not? Our society is No. 1—thanks to our veterans.

Under this man's leadership and now Senator Murkowski's, the Republican majority of the Senate Veterans' Affairs Committee appears to be bound and determined to reduce veterans' benefits to save a few bucks by cutting hospital beds, cutting health care personnel, denying health care to all but the poorest veteran; and if you can believe this, actually charging veterans for benefits they have already paid for. Comrades, take my word for it we are still in combat with the likes of Senators Simpson and Murkowski who are supposed, and I repeat, supposed to be advocates of the veteran.

NEW OPPORTUNITIES

Outgoing Commander-in-Chief Billy Ray Cameron was particularly critical of the committee's former chairman, Sen. Alan K. Simpson (Wyo.) and its present chairman, Sen. Frank H. Murkowski (Alaska).

"Sen. Simpson continues to place the burden of balancing the budget on the backs of wartime veterans," Cameron said in a major speech. "If he gets his way, compensation and medical care will be only for those with combat-related disabilities."

"How many times have we heard him belittle the heroic actions of our comrades who were fortunate enough not to have been wounded in combat . . ."

Cameron quoted Simpson as saying of service connected disabled veterans that "millions of them may have been injured by something that happened while looking for a case of lemon extract in the mess tent to finish off a three-dayer . . . that have been drawing a green check for 20 years."

"Where does he get off characterizing millions of our service-connected disabled comrades as a bunch of guys who were injured while trying to get off a three-day drunk?" Cameron asked.

Simpson also sarcastically stated, "For heaven's sake, we have done more for the veterans of the United States than any other group within our society."

"We all know that's not true. Congress had done more for themselves than any other group in America. Even if Sen. Simpson is right, I say, why not? Our society is number one—thanks to our veterans."

"Under this man's leadership and now Sen. Murkowski's, the Republican majority of the Senate Veterans' Affairs Committee appears to be bound and determined to reduce veterans' benefits to save a few bucks by cutting hospital beds, cutting health care personnel, denying health care to all but the poorest veteran, and, if you can believe this, actually charging veterans for benefits they already have paid for."

"Comrades, take my word for it, we are still in combat with the likes of Sens. Simpson and Murkowski who are supposed, and I repeat, supposed to be advocates of the veteran."

Simpson lost his SVAC chairmanship when he was elected by his colleagues assistant Senate majority leader of the 99th Congress, and he was succeeded by Murkowski. Simpson served in the Army from 1954 to 1956 and Murkowski in the Coast Guard from 1955 to 1956.

U.S. SENATE,

Washington, DC, October 18, 1985.

COOPER T. HOLT,

Executive Director, Veterans of Foreign Wars, VFW Memorial Building, Washington, DC.

DEAR COOPER T., I have received a copy of the remarks presented by the VFW National Commander in Chief at the National Convention in Dallas. On the assumption that it is quite possible that the comments about me were the work of your head, hand and pen, I would like to take this opportunity to pass on my thoughts. If you folks all want to go ahead with that kind of distortion, that is okay with me, but I have hauled more water for the veterans of this country than Rudyard Kipling's Gunga Din did in his legendary travels on the field of combat! Get the wax out of your ears, Cooper—you are not listening. You and I have had some good scrapes over the years but I always come out of them with great admiration and respect for you. Why drag yourself down with that kind of crap? If you are going to quote me, get it in context and get the whole spread in and let me include all of that for my fellow veterans of the VFW in which I am a lifetime member. I am very proud and pleased about that membership.

You demean yourself when you distort the issue by saying "You show me one veteran who served during a noncombat period and draws any GI bill benefit, purchased a house with a VA guaranteed loan, or is drawing a pension." You and I both know they have stretched the combat far beyond its use—in all of our nation's conflicts—else I would not have been a member of the "Army of Occupation" in Germany while serving there in 1955 and 1956. Come on now, Cooper. You know what's up—better than most. And when I spoke of disability, you and I both know many a veteran who may have been injured by something that happened while scratching around for a case of lemon extract in the mess tent to finish off a three-dayer, or banged up a knee on the ski slopes while on leave from active duty at Fort Carson, or in an automobile accident, or so many other things. That is a reality ain't it, chum?

I see you included my comment which I stated rather clearly, "For heaven's sake, we've done more for the veterans of the United States than any other group within our society." I did say that. I sure as hell believe it. Your comment to that was, "We all know that's not true—Congress has done more for itself than any other group in America." I don't know what that is. We pay for our own groceries, gas, insurance, chow at the Senate Dining Room, and we do get some fine medical care at Walter Reed or Bethesda, if we require it—just like a veteran would in the VA hospital system. This year, when the cost-of-living allowance went out to every soul in government—and to those in the VA and those on Veterans Administration compensation plans—I personally decided to refund my own COLA allowance back to Uncle Sam. I will be writing that personal check myself at the end of the year. I can't ask things of others in society—including veterans—that I don't ask of myself. Not many other people out there have written any checks back to the government for their three-and-one half percent cost-of-living allowance that was effective on January 1, 1985. And others surely needn't do so. That's just my current feeling. My wife, Ann, hopes it will change.

The total budget authority for running the entire congressional branch of govern-

ment was \$1,770,000,000 for fiscal year 1984, and that is \$42,925.74 per capita for all of the staff—the whole works. The staff of the VA for fy 1984 was 218,545 and the cost of running the VA was \$121,151.25 per capita of staff. Not really too good a comparison, is it, Cooper T.?

Then you come down to the most fallacious and goofy part of the argument in your text or—the Commander's—and I really would be disappointed if it were Billy Ray who wrote it all—by saying that "Even if Senator Simpson is right, I say, why not? Our society is number one—thanks to our veterans." You bet we are number one, and largely that is thanks to our veterans. There are 28 million of us, and yet less than 3 million of us ever had a live round whistle by our ear in combat. That doesn't mean we shouldn't take care of those other veterans—but let's not give them the whole load. We are the only country—free or not free—on earth that gives these extraordinary and generous benefits for noncombat related veterans' injuries—service-connected and non-service-connected. But when we are in a time of weighing priorities and a busted budget and a deficit gone through the floor, it is time to take a look at everything that our country does. That is what we are up to. You surely don't serve the cause of your fellow veterans—or this fellow veteran—when you actually try to prevent us from thoughtfully, rationally, honestly, and conscientiously addressing the priorities of the day and that is to assure that our first and prime category of service-connected, combat-related veterans should have anything they need without question—and then beginning to sort out the other priorities for other veterans. This includes reviewing the priorities of the previous determinations of the finding of 43 "presumptive diseases" that supposedly would only be presumed to occur to a person who was in the service—even if it was only for 90 days! You might share with your VFW Magazine readers that list of presumptive diseases too, Cooper T. These are diseases that any person in America can contract under any and all circumstances of life. To say that they are all "presumed" to have been attained or contracted while serving in the armed services for 90 days or more strains every bit of credibility. You know that as well, my friend. And I'm not talking about diseases contracted by POW's—since I personally sponsored and helped to pass the legislation that met their needs—after they felt they had been ignored for some 35 years.

So, you might just stop juicing up the troops long enough to settle back and join us to see how we are going to take care of our veterans and try to do that by reducing this massive deficit which is eating their lunch, causing their interest rates to go up, and keeping them from running their businesses right because they can't afford the cost of money. Those are the things I am up to, Cooper. Why not join the effort. What a bunch of hoorah that you dish out that I am "supposed" to be an advocate of the veterans. I've done my job—and will be doing even more in years to come. Perhaps you've been here too long Cooper T. Perhaps you've become a zealot and a cynic. Too bad.

Let me refresh your limited ability of recall and share with you what I have done as former Chairman and now current ranking majority member of the Veterans' Affairs Committee. You might want to pass this on to your readers. During the 97th Congress, I was a cosponsor of the bill to establish the Federal Interagency Medical Re-

sources Committee to prescribe procedures and guidelines for inter-agency sharing of health resources between the Department of Defense and the Veterans Administration. This bill become Public Law 97-174. I cosponsored S. 349, to establish certain procedures of adjudication of claims for benefits under laws administered by the Veterans Administration. I was the principal sponsor of S. 917, which became Public Law 97-66, to increase the rates of veterans' compensation for wartime disability compensation, additional compensation for dependents, clothing allowance for certain disabled veterans, and an increased compensation for surviving spouses, children, and supplemental children's benefits. I was chief sponsor of S. 2747 in the 97th Congress, directing the Secretary of Labor to establish a program providing job counseling, training and placement services for disabled, Vietnam era, and other eligible veterans.

During the 98th Congress, I sponsored legislation which became Public Law 98-223, which increased again the rates of disability compensation and compensation for dependents including clothing allowances, compensation for surviving spouses and children, and supplemental dependency and indemnity compensation for children. I sponsored S. 2737, increasing the rates of educational and subsistence allowances for eligible veterans and their dependents and survivors.

During this first session of the 99th Congress, I have cosponsored S. 876, which establishes and conducts pilot programs in furnishing the following benefits and services to eligible veterans: medical and rehabilitative services in lieu of nursing home care, treatment and rehabilitation for alcohol and drug dependency and abuse, and community residential care for the chronically mentally ill. I have also cosponsored S. 367, providing for judicial review of certain final decisions of the Administrator of the Veterans Administration as well as provisions for the payment of reasonable services to attorneys for rendering legal aid to individuals claiming benefits under laws administered by the VA. This is only the very "short list" of the legislation which I have been involved in from the beginning of my service on the Veterans' Affairs Committee.

You don't serve your cause very well when you, or the National Commander, babble on into the vapors like you did during the National Convention, Cooper T. We really ought to have lunch together someday and kick it around a little. I would like that.

With kind personal regards,

Most sincerely,

ALAN K. SIMPSON,
U.S. Senator.

Mr. SIMPSON. Mr. President, when we get through with this great gratuity in the proposed amendment we will have left out something in the Veterans' Administration, I can assure you. So, if you want to go ahead and exempt and exempt, then wait until you get going all through that \$27 billion budget and you will find out that you missed a few and when you then find out that those omitted programs got sequestered and you caused those programs to lose about 25 percent of their budget—when you do that, call me. I will be here and I will furnish your address to the various groups. You will undoubtedly be contacted.

I thank the Chair very much.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Who yields time?

Mr. PACKWOOD. Mr. President, I yield 8 minutes to the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, it is always a difficult task to stand on the floor of this body and speak against what one might call a veterans' amendment. It is unthinkable that any Member of this body would vote in a manner that would undermine the benefits of our Nation's veterans. We have all been elected to serve our constituents and our constituents certainly include many veterans and their families.

As chairman of the Senate Veterans' Affairs Committee, it is especially difficult. But, Mr. President, let me reflect for just a moment. During the floor debate on the HUD-Independent Agencies appropriations bill, H.R. 3038, I successfully argued, and a majority of my colleagues supported me, in adopting an amendment to restore \$100 million to VA medical care. The Senate agreed by the adoption of that amendment to treat the VA medical care account fairly.

This is not the issue today, Mr. President. We all are on record in support of adequate appropriation levels for VA health care. However, in this instance, we cannot escape the basic fact that any exemption to preserve VA medical care from a sequester order would directly shift the burden of savings to other federally funded programs.

In the spirit of full disclosure, Mr. President, I think we ought to know what those programs are. They are food stamps, Supplemental Security Income, AFDC, child nutrition, community health centers, migrant health, Women, Infants and Children.

Mr. President, my contact with the veterans' service organizations of this country leads me to believe firmly that the veterans are willing to make the same necessary sacrifices as other citizens.

However, this amendment troubles me greatly. It troubles me, because in the name of veterans it serves to undermine an effort to balance the budget—which is of utmost importance to all veterans. What is often forgotten in this place is that veterans have more than one role in society. As a matter of fact, being a veteran as many of us are, means that we are no longer serving our country as active duty service men and women. We are serving our country in other ways—as executives, as postal carriers, as blue and white collar workers, as small business owners, and as government workers, farmers, and transportation workers. Our Nation's veterans have families. They are all American citizens with a multitude of interests and a multitude of investments in our Nation's well-being.

Millions of our Nation's veterans who served our country bravely do not receive VA benefits or use VA medical care. Are they any less deserving citizens? Of course not. Did they serve less honorably? Of course not. The bottom line here is that veterans, as all citizens, do better if the economy is doing better. What veterans across the country may not understand about the Riegle-Cranston amendment is that exempting VA COLA's and medical care does not mean a restoration of dollars, but a shifting of the burden to other programs and services which also affect their livelihood and welfare.

The Gramm-Rudman amendment is an attempt—a serious attempt—to come to grips with our spiraling and uncontrollable Federal deficit. Opposing an amendment to fence off veterans' COLA's and medical care from the effects of the Gramm-Rudman amendment is not a vote against veterans. It is an act of fiscal responsibility by Members of this body on behalf of veterans and all Americans.

Under Gramm-Rudman, if the Senate and House of Representatives do not do their job and the budget exceeds identified spending levels, then the President would be required to reduce the Federal budget by the amount the congressionally adopted budget exceeded those ceilings. It is not intended that the President would have this authority on any kind of regular basis. It is intended for Congress—and that is us—to do its job.

The success of the Gramm approach is premised on equity. Everyone must be aware that, under the Gramm-Rudman amendment, all special interests are subject to sequester if Congress does not do its job. Congress is going to have to act responsibly if we are to regain our economic foothold in this country.

Exempting veterans' medical care and compensation COLA's does not indicate our devotion to veterans. In this case, what it would do is say that veterans are no longer an active contributing part of this society—they do not continue to participate, and, of course, that is untrue. They alone are sheltered from sharing in our economic healing process—but at the expense of their families, friends, and survivors who would be left to bear the burden that they somehow, as citizen soldiers, are not asked to bear. I do not believe for 1 minute that veterans across the country wish to slough off their share of economic responsibility. Veterans in my State have let me know that they would like to see the country back on a more even economic keel. They are willing to do their part as Americans, as veterans who served willingly in the defense of their country, and now they serve willingly as citizens as we strive

together to come to grips with our economic situation.

Finally, Mr. President, I regret that this situation has even arisen because I believe it puts Senators in a very difficult position of having to cast their vote in a manner that will be recorded by certain veterans' service organizations as against veterans. How can this be said after we spent 2 days on the floor defending the VA medical care budget during the Senate consideration of the HUD-Independent Agencies appropriation bill? This is a different situation. As I have said, it is a chance for all of us as veterans, citizens, parents, family members, and friends to work together and tighten our belts as one Nation undivided by parochial interests in the interest of our country's economic survival.

Mr. President, I feel that the veterans of the United States concur in the belief that the greatest thing that can be done not only for the veterans, but for all programs in this country, is to get the deficit under control.

I urge all Members to place their responsibility as Senators, veterans, and citizens as the highest priority. Let us dispense with politics and get on with the job we were elected to do. The Riegle-Cranston amendment must be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. I yield myself 4 minutes.

I have spoken with the other side. There is a technical drafting error in the amendment that is at the desk. I send an amendment to the desk which corrects that technical error and ask unanimous consent that that amendment be made.

The PRESIDING OFFICER. Is there objection?

Mr. RIEGLE. I cleared it with the chairman of the Finance Committee previously.

The PRESIDING OFFICER. Is the Senator asking consent to modify the amendment?

Mr. RIEGLE. He is.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. RIEGLE. I thank the Chair.

The amendment, as modified, is as follows:

At the end of the amendment of Mr. PACKWOOD, insert the following:

SEC. —. Notwithstanding any other provision of this Act, for the purposes of section 204 of this Act the following shall apply with respect to outlays for the Veterans' Administration programs, benefits, and accounts referred to in this section: Expenditures from the Veterans' Administration medical care account (36-0160-0-1-703) shall be deemed not to be controllable expenditures; a provision of law making an appropriation to such account for a fiscal year

shall be deemed to be a provision of Federal law requiring an automatic spending increase to take effect during such fiscal year; the amount of outlays from such account that shall be considered the amount of the outlay increase to be reduced by a uniform percentage during a fiscal year (hereinafter in this clause referred to as the "current fiscal year") under subsection (b)(1)(A)(i) of such section is any amount exceeding the total of all outlays made from such account for the preceding fiscal year (as estimated by the Director of the Congressional Budget Office) plus the amount of outlays which the Director of the Congressional Budget Office estimates will be needed during the current fiscal year for increases in outlays (over outlays during the preceding year as so estimated) for salaries and benefits in order to maintain employment under such account of the same number of full-time-equivalent federal employees employed under such account as were so employed during the preceding fiscal year; no provision of law increasing or authorizing an increase in a rate or rates of compensation or dependency and indemnity compensation, as defined in section 101(13) and (14), respectively, of title 38, United States Code, or of a benefit paid under chapter 11 or 13 of such title shall be considered a law requiring an automatic spending increase; no expenditure for such compensation, dependency and indemnity compensation, or benefits shall be considered a controllable expenditure; and no amount of budget authority for such compensation, dependency and indemnity compensation, or benefits shall be sequestered.

Mr. MURKOWSKI. I wonder if the Senator will yield for a question as to the modification of the amendment? I did not hear it.

Mr. RIEGLE. Perhaps the Senator from Oregon [Mr. PACKWOOD] could explain it to the Senator because my time is short. It is not a change of substance. Let me quickly move to the comments that I want to make. There is much to cover here in the 4-minute time period that I have remaining to me.

First of all, we have dealt previously in Gramm-Rudman with the sanctity of contracts. We cannot do anything about the \$600 toilet seats at the Pentagon because they are part of present military contracts. In many other areas contracts are being treated as something beyond the cuts of Gramm-Rudman. I do not know a contract that I think is more important or more serious than the one we have in the two areas I cite.

Bear in mind, I am not talking about all veterans' programs. I think a case could be made for that. My amendment relates only to the payments under service-connected disabilities, the compensation system and also the veterans' hospital health care system. I mentioned earlier we have colleagues in this body who are veterans who have lost limbs but we also have 23,000 outside this body, if you will, who are in that condition. In addition there are another 36,000 who have limbs but have lost the use of the limbs. But let me cite one that I did not mention

before. And that is we have in this category 322,000 individuals who receive compensation now who are the survivors of a serviceman or woman killed in the service. Part of the understanding we have over the years is that there was a compensation system to make up for the loss of that individual and the loss of their earning power to that family and that we would have a COLA adjustment with it so that if inflation did happen, they would not see their living standard eaten away. That is why it is in the law. To me that is a contract. Now, I do not see any way that we can say, as Gramm-Rudman now does, that we are not going to protect Veteran's COLA while we are going to protect the COLA under Social Security—and I support it. And I assume the Senator from Texas does. Although he says he voted against it, it is in his bill now, and it is in there with his consent—that we can say to that person out in society, "Yes, your COLA is going to be protected," but say to the person next door who is the veteran or the survivor of the veteran killed in the service, "Sorry, your COLA is disappearing." I do not think we can say that. I do not think it is right to say it. Frankly, the dollars are not that significant in terms of the importance of the point that it makes, especially after we have heard all of this talk about the sanctity of contracts. Contracts, contracts, contracts. We are protecting the defense contractors but we cannot protect the contract with the people who fought the wars and were injured in them or their survivors as we have done all the time up until now. We are talking about \$260 million a year for that part of it. The veteran's health care system, moving it into category I, is \$9.3 billion. In terms of the size of the pot, that is a total of 1.6 percent of the pot. It only leaves 98.4 percent of the pot for the automatic reductions should they occur. So I do not think the argument holds that somehow we are decimating the pot by coming in in these two areas. I am not addressing, as I say, the remainder of the veterans' programs, only these two which I think are critical.

The PRESIDING OFFICER. If the Senator will suspend, his 4 minutes have expired.

Mr. RIEGLE. I yield myself 1 additional minute.

I mentioned before that I received letters today from the Veterans of Foreign Wars signed by John Staum, the national commander in chief; the American Legion, signed by Philip Rigg, director of their legislative commission; the Paralyzed Veterans of America, signed by Douglas Vollmer, who is the national legislative director; and also the Disabled Veterans, signed by Albert Linden, Jr., their national commander. I ask unanimous consent

that these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, November 5, 1985.

HON. ALAN CRANSTON,
Ranking Minority Member, Committee on
Veterans' Affairs, U.S. Senate, Washing-
ton, DC.

DEAR SENATOR CRANSTON: On behalf of the more than two million men and women of the Veterans of Foreign Wars of the United States, I most enthusiastically endorse the amendment to Gramm-Rudman to be introduced by the Honorable Donald W. Riegle, Jr., for you and himself to exempt Veterans Administration's service-connected compensation, dependency and indemnity compensation and to protect the prior year's outlay level for the Veterans Administration medical care.

With best wishes and kind regards, I am
Sincerely,

JOHN S. STAUM,
National Commander in Chief.

THE AMERICAN LEGION,
Washington, DC, November 5, 1985.

HON. ALAN CRANSTON,
Ranking Minority Member, Senate Commit-
tee on Veterans' Affairs, Hart Senate
Office Building, Washington, DC.

DEAR SENATOR CRANSTON: The American Legion applauds your intention and that of Senator Riegle to offer an amendment to H.J. Res. 372 to shelter veterans from the sequestering provisions of the Gramm-Rudman-Hollings balanced budget plan. We sincerely believe your amendment adds a measure of equity for veterans while also prudently providing for continuity in VA administered health care.

This amendment would exempt veterans disability compensation COLA's from reductions in the event of a sequestering order under the balanced budget plan. In doing so, disabled veterans, certainly as equally deserving as social security recipients, would be protected from reductions in the compensation that for many constitutes their only source of income.

The second part of your amendment would restrict medical care reductions under a sequestering order to cuts no greater than what would be necessary to bring spending down to the levels of the previous fiscal year. This makes sense to us, because VA health care has sustained cuts over the last few years which are already hampering VA's ability to render quality treatment at a time when demand for care is increasing dramatically.

With this in mind, The American Legion welcomes the opportunity to join with you in attempting to successfully prevail on this thoughtfully drawn and urgently needed amendment.

Sincerely,

E. PHILIP RIGGIN,
Director,
National Legislative Commission.

PARALYZED VETERANS OF AMERICA,
Washington, DC, November 5, 1985.

HON. DONALD W. RIEGLE, JR.,
U.S. Senate, Dirksen Senate Office Building,
Washington, DC.

DEAR SENATOR RIEGLE: On behalf of Paralyzed Veterans of America, a congressionally chartered veterans' service organization, I

commend and support your efforts to amend the Gramm/Rudman deficit reduction proposal. Your efforts would protect veterans' compensation and mitigate cuts in funding for VA medical care.

Your amendment would protect veterans who receive disability compensation for injuries received while serving their country. By maintaining this program and exempting it from the loss or reduction of cost-of-living allowances, you ensure that the Nation continues its commitment to veterans injured in service.

Of equal importance, your amendment would ensure that funding for the VA health care system would, at a minimum, be maintained at the previous year's level. By mandating that the funding level for VA medical care cannot go below the previous year's level, veterans are assured of a stable health-care system and are protected from the potentially catastrophic consequences of a reduced VA health care system.

PVA recognizes the need to reduce the federal deficit, but targeting veterans' compensation and health care while exempting other programs as a source of spending cuts and deficit reductions is a reprehensible approach and a disservice to the men and women who have served our Nation. This is particularly true when huge corporations pay no taxes at all, and the American people are asked to assume more and more of the burden.

Sincerely yours,

DOUGLAS K. VOLLMER,
National Legislative Director.

DISABLED AMERICAN VETERANS, NA-
TIONAL SERVICE AND LEGISLATIVE
HEADQUARTERS,

Washington, DC, November 5, 1985.

HON. DONALD W. RIEGLE, JR.,
U.S. Senate, Dirksen Senate Office Building,
Washington, DC.

DEAR SENATOR RIEGLE: With respect to the current Senate debate on the so-called Gramm/Rudman/Hollings "balanced budget amendment" issue, it is my understanding that, along with Senator Alan Cranston, you intend to propose to your colleagues that full and limited protection from "sequestering" be afforded, respectively, to VA service-connected disability/death compensation benefits and to VA health care funding.

Senator Riegle, the over one million members of the Disabled American Veterans and its Ladies Auxiliary fully support your proposal.

Let me make it absolutely clear that the DAV has no quarrel with any reasonable, fair proposal that seeks to solve our nation's economic problems.

Indeed, over the past several years, the DAV has stated time and again to members of Congress and the Administration that our nation's disabled veterans are willing to assume their fair share of the burden, so long as such a burden is placed equally upon all federal programs and beneficiaries.

The DAV accepted, with no complaints, the six month COLA delay that was applied to federal entitlements in 1984 and, more recently, during Congressional consideration of the Fiscal Year 1986 budget resolution, the DAV was the first organization representing a major category of federal beneficiaries to indicate that it would accept a COLA delay or cap, if uniformly applied.

However, Senator Riegle, the above cited Gramm/Rudman/Hollings amendment, as passed by the Senate, exempts Social Security COLAs from possible reduction or elimi-

nation. In addition, and quite ironically, Department of Defense contractors—those huge corporate entities who pay no taxes and who profit from making weapons of war—are also exempt from the amendment, while the COLAs of our wartime disabled veteran population, their widows and orphans, are totally exposed.

This, purely and simply, is just not fair.

The DAV position on this issue is quite clear:

If a balanced budget amendment is necessary for the good of our country, by all means approve it . . . but treat all domestic spending, programs and beneficiaries the same. But if, for whatever reason, certain spending categories are deemed deserving of special protection—as has occurred in both the Senate and House passed versions of the balanced budget amendment—then service-connected entitlements and health care benefits of America's disabled veterans should also be included.

Senator Riegle, I commend you most highly for taking this initiative and I hope it receives the strong support of your colleagues in the Senate. After all, this is not a vote for or against a balanced budget, rather, it is a vote in favor of fair and equal treatment for those who served and sacrificed in time of war.

Sincerely yours,

ALBERT H. LINDEN, JR.,
National Commander.

Mr. RIEGLE, Mr. President, as is apparent, they all very strongly support this amendment. They argue that it is critical that it be passed, that it does not by any means reach all the veterans' programs but it certainly reaches two that fall I think into the most sensitive category. I think we do have a contractual obligation in this area, and I think we ought to recognize it. I think we ought to stand by it. There may be others who disagree. We have made other exceptions in the Gramm-Rudman proposal for other things far less important.

Mr. MURKOWSKI. I wonder if the Senator will yield for a question.

Mr. RIEGLE. I am going to reserve my time and I would be happy to respond to a question in the remaining time on the other side.

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Let me yield 1 minute of that to the Senator from Alaska so that he might respond.

Mr. MURKOWSKI. I thank the majority leader. I wonder if I could pose a question to my colleague from Michigan? Is it his intention to exempt from the effects of deficit reduction, a veteran who breaks his leg on a weekend skiing accident while on leave, or a veteran who survives without injury during an extended period of combat service?

Mr. RIEGLE. If I may respond, if the Senator will yield—

Mr. MURKOWSKI. If so, why?

Mr. RIEGLE. I would say the responsibility for deciding under the law

what is covered and what is not covered in a service accident falls on us here in the Congress, falls to the Senator himself as chairman of the committee to make those definitions. I am quite sure that whatever definition he and his committee are prepared to offer would be reasonable.

Mr. MURKOWSKI. My question is, does the Senator support such a change?

Mr. RIEGLE. I am not prepared to argue the specific details of how the Senator's committee wants to apply it. But I am prepared to say that once the decisions are made, I think we ought to stand by the way the system has worked over the years.

Mr. MURKOWSKI. I wonder if my colleague recognizes that 40 percent of the beneficiaries of the VA's compensation program are veterans who are rated by the VA as 10 percent or less disabled?

Mr. RIEGLE. If the Senator wants to bring an amendment to the floor to change the format—

Mr. MURKOWSKI. I have nothing further to ask at this time.

Mr. RIEGLE. The Senator from Michigan would be happy to take a look at it. I am not opposed to changing the formula but I do not want to pull the rug out from everybody.

Mr. MURKOWSKI. I thank the majority leader.

Mr. DOLE. Mr. President, I do not quarrel with the good intentions of anyone but it seems to me that veterans have as much at stake in the economy of this country as nonveterans and certainly disabled veterans, others who have taken risks for their country. We can lose economically as well as we can militarily if we are not willing to face up to the deficits, and that means all of us. I think it is a mistake to leave out Social Security, but we left it out. It is a political hot potato. But that is not the point. It seems to me we should not adopt this amendment. We understand that you can get letters from the American Legion or the VFW, Disabled American Veterans. Every special interest group wants to be exempt.

I think we have an obligation to veterans that we can probably never fulfill. But I tend to agree with the thrust of the questions just asked by the distinguished chairman of the committee.

Many veterans who draw compensation were injured on weekend accidents. I will not go into all the details. They may have a right to compensation, but they also have an interest in the economy of this country.

I think that sometimes, maybe in an effort to grab headlines or votes, we tend to underestimate the strength of the commitment of the American people to reduce the deficit. I do not have people beating me over the head to be exempt. They want the deficit

reduced. They are concerned about interest rates, about inflation, about their jobs.

I hope we can defeat this amendment. I think we are selling the veterans short. Of course, "veterans" is an all-inclusive term. It means a lot to some people and does not mean much to other groups, but it means a lot to veterans, and most veterans have already proven that they are ready to make sacrifices for their country, and this is a small sacrifice we ask.

Let us defeat this amendment and get on with the business at hand. Let us wrap up all the amendments on this bill and get back on reconciliation or the farm bill or some other piece of legislation.

This is twice we have gone through this exercise, I think primarily for political purposes. In any event, we should defeat the amendment and move on to something else.

Mr. PACKWOOD. Mr. President, I yield 1 minute to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I oppose the Riegle-Cranston amendment.

This amendment proposes to modify the Gramm-Rudman-Hollings bill in two significant ways:

First. It would move the Veterans Compensation Program from category I—the automatically indexed programs—to the exempt category; and

Second. It would remove veterans medical care from the controllable category and put it into the automatic spending category.

The bill in its current form includes the veterans compensation and pension benefits in category I and rightfully so. By including these benefits in the automatic spending category, we are assuring that, even under the most severe sequestration order, the veterans' check will not be reduced. If a sequestration order occurred in fiscal year 1986, at most, the veteran would be asked to forgo an average increase of \$10 per month. During 1986, these veterans will still enjoy an average monthly tax free benefit of \$330.

It is difficult to justify the treatment of veterans medical care as an entitlement program. Nearly 70 percent of the veterans treated at VA medical centers are non-service-connected veterans and are treated on a space available basis. This is clearly a discretionary program and should remain in the controllable spending category.

I would like to remind my colleagues that each time we exempt a program from reductions, or protect a special interest from participating in our deficit reduction plan, we are asking all other Federal programs to sacrifice more. If we exempt veterans, we will quite simply have to reach our deficit reduction target by cutting all other domestic programs even more.

In fact, under a \$10 billion sequestration order, other domestic programs will have to absorb reductions of nearly \$0.5 billion. Under a \$75 billion sequestration order, this amount would escalate to \$2.3 billion.

I cannot stress enough how important it is to maintain our discipline and have all Federal programs—except Social Security—participate in this deficit reduction process.

Veterans cannot be an exception. These brave men and women have always been willing to sacrifice for our Nation; we should not expect any less of them now.

I urge my colleagues to oppose this amendment.

Mr. President, I believe that the bill before us is absolutely fair. Veterans pension and compensation checks will not be cut. If we have a sequestration order, these benefits may not get an automatic cost-of-living increase or a voted-in increase but, in the scheme of things, I think that this is eminently fair. We are not asking veterans to take a cut in their benefit checks. We are simply asking that they be willing to forego a COLA for the sake of deficit reduction and economic recovery.

The \$9.2 billion that the Senate recently voted to spend on veterans medical care will be treated in the same fashion that we are treating Medicare, Medicaid, and all other discretionary health care programs that we have in our Nation's repertoire of programs to help those in need.

Clearly, a sequestration against a \$9.2 billion budget would in no way cut benefits for the service-connected disabled veteran being treated in VA hospitals. We would have to dramatically reduce funding for veterans health care in order to have an impact on those veterans who are service connected or who are being treated for an illness related to a service-connected disability.

I think that the veterans of this country would agree that, if we are asking Medicare, Medicaid, and all other discretionary health care programs to assume a fair share of the deficit reduction burden, veterans should assume their fair share, particularly when these reductions will never affect the service-connected veteran being treated in VA hospitals.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. One minute and 1 second to the Senator from Michigan, and 2 minutes and 2 seconds to the Senator from Oregon.

Mr. RIEGLE. Does the Senator from Oregon have any other speakers on his side?

Mr. PACKWOOD. No.

Mr. BUMPERS. Mr. President, I want to take this opportunity to ex-

press my strong support for Senator RIEGLE's amendment to provide more equitable treatment for veterans' health care and disability programs. I believe these changes make an essential improvement in this legislation by restoring fairness and allowing us to maintain our important commitment to America's veterans.

First, this amendment would offer vital protection to veterans health-care programs by ensuring that the only funds that would be available for sequestering—that is, across-the-board spending cuts when deficit reduction targets are not met—would be those provided as an increase in funding for this category in a given year. The base program would be completely exempt from these additional reductions.

I want to emphasize my vigorous support for a strong veterans health care program. Cuts such as those proposed by the administration in its budget this year and those which would be possible without the protection offered by this amendment would be simply devastating to the adequate delivery of health care for thousands of veterans throughout this Nation. Our veteran population currently numbers over 28 million, and of those, 4.6 million are 65 or older. The aging veteran population will grow to over 9 million by the turn of the century. Over 1 million veterans are now over 75, and that number is growing as well, with 4.5 million expected to be in that age category in the year 2005. It goes without saying that this group has the greatest health care needs. Over 240,000 veterans in my State alone received care through a VA medical facility in fiscal year 1984.

I have always firmly believed that our Nation has a basic obligation to provide for the medical needs of the brave men and women who served to protect our freedoms. I believe it would be inexcusable to jeopardize that obligation by risking cuts which could reduce health care to inadequate levels. Means testing for the provision of medical care for veterans will soon become a reality. Let us not further disrupt this crucial health care system. This provision of Senator RIEGLE's amendment would ensure that adequate service could be properly maintained.

Mr. President, the other part of this amendment is equally important. That provision allows cost-of-living adjustments [COLA's] on disability payments to be exempted from reductions caused by the sequestering of funds, as well. This is the same protection afforded Social Security COLA's in this legislation, which, therefore, makes the measure far more equitable. In the past few days I have heard from countless numbers of veterans who are greatly troubled by the unfair treatment they would experience without this amendment. These veterans are

certainly anxious to see our massive Federal deficit reduced, and they are indeed willing to do their part. They realize that all Americans will benefit from a healthier economy. All they are asking is to be treated fairly. That is a compelling request, and I strongly support this amendment which affirms my belief that they are entitled to that fair treatment.

American veterans have given so much of their lives to ensure that our Nation remains free and strong. The Disability Compensation Program is designed to recognize and repay the sacrifices made and hardships incurred by those who suffered disabilities in defense of our country. Although those debts may never be fully repaid, I wholeheartedly believe we must remain committed to them. Senator RIEGLE's amendment reflects that commitment, and I am proud to stand in support of it.

Mr. RIEGLE. I will make a brief comment, if I may be recognized.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I should like to emphasize what I think is the contract issue. We are saying now, with respect to outstanding defense contracts, outstanding agricultural contracts, and so forth, that they are exempt from the automatic cuts, should they be required, because they are contracts.

I think this meets the test of any reasonable definition of what is a contract, and that is what we have obligated to do with the veterans of this country, particularly those who have suffered severe losses from war, including the survivors of those who gave their lives in various conflicts.

In this area, we should treat those folks the same way we treat those under Social Security. I believe there is a special requirement in this case that goes beyond defense contracts. This is the ultimate defense contract. We contracted with people to put their lives at risk. Many lost their lives and lost their active strength, and we should stand by those commitments.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I am prepared to yield back the remainder of my time.

I move to lay on the table the amendment of the Senator from Michigan, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

I also announce that the Senator from Nebraska [Mr. ZORINSKY] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 52, nays 44, as follows:

[Rollcall Vote No. 282 Leg.]

YEAS—52

Armstrong	Gorton	Nickles
Bingaman	Gramm	Nunn
Boren	Grassley	Packwood
Boschwitz	Hatch	Proxmire
Chafee	Hatfield	Quayle
Cochran	Hecht	Roth
Cohen	Heinz	Rudman
D'Amato	Helms	Simpson
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dodd	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Wallop
East	Mattlingly	Warner
Evans	McClure	Wilson
Garn	McConnell	
Goldwater	Murkowski	

NAYS—44

Abdnor	Glenn	Melcher
Andrews	Gore	Metzenbaum
Baucus	Harkin	Mitchell
Bentsen	Hart	Moynihan
Bradley	Hawkins	Pell
Bumpers	Heflin	Pressler
Burdick	Hollings	Pryor
Byrd	Inouye	Riegle
Chiles	Johnston	Rockefeller
Cranston	Kennedy	Sarbanes
DeConcini	Kerry	Sasser
Dixon	Lautenberg	Simon
Eagleton	Leahy	Specter
Exon	Levin	Stennis
Ford	Matsunaga	

NOT VOTING—4

Biden	Weicker
Humphrey	Zorinsky

So the motion to lay on the table amendment (No. 964), as modified, was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, may we have order so I can ask the majority leader what the schedule is?

The PRESIDING OFFICER. The minority leader is correct.

Mr. BYRD. Mr. President, I would like to ask the distinguished majority leader his plans pertaining to this evening, for tomorrow, for Thursday, and Friday, if he will.

Mr. DOLE. Mr. President, let me take this evening first. I think that depends in large part on how many amendments will be remaining. I un-

derstand that the distinguished Senator from Colorado has an amendment which will be accepted. That will leave an amendment by Senator CHILES on Medicaid, an amendment by Senator CHILES on AFDC, an amendment by Senator GRAMM on the alternate sequester process, an amendment by the distinguished minority leader, another amendment by Senator GRAMM, a modified relevant amendment, modified by the majority leader, and an amendment by Senator MOYNIHAN.

Obviously, if all of those amendments are to be offered, then we have about 7 hours we would have to stay in this evening to dispose of some of those. Assuming we would have final passage not later than 2 o'clock tomorrow afternoon, that would be the case.

I wonder if there would be any disposition at this time to vitiate any agreements on any of the amendments or whether it is the intention for all the proposed amendments to be offered.

Mr. BYRD. Speaking for myself, there is a provision in the unanimous consent order that I am allowed to offer an amendment. I may not offer the amendment. I am not in a position at the moment to say because I do not know. I would say there is a pretty good chance that I will not offer my amendment.

Mr. DOLE. I understand the distinguished Senator from New York will offer an amendment. It will be discussed but will not be pressed. Is that correct?

Mr. MOYNIHAN. The majority leader is correct. I have spoken to the distinguished chairman of the committee and have suggested that I might be first tomorrow morning, if it is agreeable.

Mr. CHILES. I would say to the distinguished majority leader that the Senator from Florida might be willing to vitiate a couple of his if there are a couple that might be vitiated on that side.

Mr. GRAMM. On that basis, Mr. President, I will be willing to pull down my special sequester amendment.

Mr. DOLE. You have one sequester amendment.

Mr. GRAMM. I would be willing to pull that down if the Senator from Florida decided to pull his down.

Mr. CHILES. I am a little concerned about the modified Gramm-Rudman amendment.

Mr. DOLE. I must say as I recall these amendments, I think much depends on what happens to the Democratic alternative, to be candid about it. We sort of put little stakes in there just in case there was an amendment offered and, by some chance, it were adopted.

I think we could be very well near final passage on this whole package.

I think the distinguished Senator from New Mexico is working on an amendment with the Senator from Florida, or at least the one that relates to the budget process, and there might be unanimous agreement.

Mr. CHILES. He says I am. He has not talked to me about it.

[Laughter.]

Mr. DOMENICI. But we are.

We are trying to take the Byrd amendment that we put on reconciliation with reference to future reconciliation, the germaneness and extraneous test. We are trying to fix it so it meets the desire of the minority leader and others and putting it on this just in case we do not get it on reconciliation. We would have modified the reconciliation process for the future. That is what we are working on. We need one little window for that.

Mr. DOLE. I would be happy to surrender my position. I think that will be unanimous. I do not intend to offer any other amendment. I assume we can get unanimous consent for that amendment if we have Senator CHILES and Senator DOMENICI offering it, along with the leadership. I hope we would get it.

I ask unanimous consent at this time—

Mr. BYRD. Mr. President, have I the floor?

The PRESIDING OFFICER. The minority leader has the floor.

Mr. BYRD. Before the majority leader proceeds to ask for unanimous consent, can he tell us what voting the Senate will be doing this evening, whether or not there will be a window, and also what we might expect tomorrow, Thursday, and, in particular, Friday?

Mr. DOLE. If we can work out something on these amendments that are hanging, we can depart here fairly early. I will bring up the Lord nomination when we move off this bill. There will be brief debate and a rollcall. That could occur as early as 6:30 or 6:45.

If we can vitiate part of this agreement, I believe that would be the last vote this evening.

I am advised by the distinguished Senator from Michigan that he could not consider the Kozinski nomination any earlier than 3 o'clock tomorrow. Then we would also take up the Spain nomination this evening. That will not require a rollcall vote, I am advised by the Senator from North Carolina.

Mr. BYRD. Is the distinguished majority leader saying there will be one vote on a nomination this evening, after which there will be no more rollcall votes tonight?

Mr. DOLE. If we can, in fact, dispose of some of these amendments that are in the agreement. Otherwise, we will be back here going through the amendments one at a time. That could

add some more votes. I am certainly willing to surrender my amendment to the Senators from Florida and New Mexico or just drop my amendment, letting them get unanimous consent. If I can do that at this point, if that would start anything—

Mr. BYRD. I think that I can let the majority leader know that I will probably not offer my amendment under the order.

As I understand, there will be a further rollcall tonight?

Mr. DOLE. There will be a vote on the Lord nomination, hopefully at about 6:30 or 6:45. At that time, maybe we can visit together, along with Senator CHILES and Senator DOMENICI, with the managers of the bill, and maybe agree not to bring up some of the other amendments. That would still leave the Moynihan amendment and then final passage some time tomorrow. Following that, we are shopping around for a unanimous-consent agreement on the civil service bill which Senator EAGLETON and Senator STEVENS would be very happy to reach some agreement on.

Also, military construction I understand is not going to be hotly disputed. Maybe there will be a couple of amendments.

We are trying very hard to squeeze something in for Tuesday, Wednesday, and Thursday that might be able to accommodate a number of Senators who have other problems on Friday. I am not quite ready to make that announcement.

Mr. BYRD. I think we on this side will be prepared to give the majority leader our approval to call up the military construction appropriations bill. That would be tomorrow, would it?

Mr. DOLE. That is correct. After final passage of this bill.

Mr. BYRD. What about the farm bill? May I ask about the farm bill? Senator ZORINSKY is in the hospital. I am told today that he probably will be able to return to his office this coming Monday or early in the week. Would it be the disposition of the distinguished majority leader to await the return of Mr. ZORINSKY if he indeed can be back on the Hill by the early part of next week?

Mr. DOLE. As I indicated to the distinguished minority leader earlier today, Senator ZORINSKY certainly wants to be here. We would withhold any further action on the farm bill. I also talked to his legislative director and he passed the same information. That is the way it will be. If Senator ZORINSKY wants us to wait, we will wait until he returns on Monday.

Mr. BYRD. I will be in touch with him, too. I think it is very gracious of the majority leader. I am sure Senator ZORINSKY would not want to keep the bill waiting very long.

Mr. DOLE. I would like to make some progress on reconciliation this week. That is another matter of great concern to the Senator from Florida and the Senator from New Mexico. We may have to go back and get an agreement. We have 30-some amendments. Most of them need rollcalls. We only have about 1 hour and 12 minutes left on reconciliation. We may have to get unanimous consent for additional time. There will be a lot of votes. We want to make certain that people have adequate notice that there will be a series of 25 votes so they will not be out of town.

I know both Senators are concerned about that. They will be wrapped up, I assume, in a conference starting on Wednesday.

Mr. DOMENICI. That is correct.

Would the distinguished minority leader yield?

Mr. BYRD. Yes.

Mr. DOMENICI. Frankly, all Senators are concerned about that bill. I do not want to say that any one set of activities on the floor is responsible. I think there is plenty of blame to go around. We have a lot of extraneous material. But we also have an excellent bill on it.

I just want to say that we are into the year and if we do not get those savings—we are estimating about \$14 billion in savings—they will be lost. Anybody's idea of what we do in the next 2 or 3 months to get the deficit down ought to be affected by the bill we have in our hand that saves about \$14 to \$16 billion.

The House has done it. We have to go to conference. So I am hopeful we will get some help from the Senators. They have been very cooperative. We have four amendments that can be agreed to in a very short time. But we need to wrap up some agreement on the textile bill. We shall be working with those people who are for and against and see if we can work something out.

Mr. BYRD. I thank the distinguished majority leader very much. I yield the floor.

AMENDMENT NO. 965

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Colorado [Mr. HART], for himself, Mr. MOYNIHAN, Mr. SASSER, and Mr. LEAHY, proposes an amendment numbered 965.

At the end of the Packwood amendment No. 957 add the following new section:

SEC. 9. REPORTS ON NATIONAL DEFENSE.—Reports shall be submitted to Congress containing the following information:

A. The Congressional Budget Office and the Office of Management and Budget shall each estimate the amount of defense and non-defense outlays, budget authority and other budgetary resources to be sequestered

at the level of detail specified in the other sections of this Act, for the possible cases of a September 25, 1986 sequester order, at the levels of \$10 billion, \$20 billion and \$30 billion dollars;

B. The Secretary of Defense shall submit to Congress a report on how the levels of defense spending reductions estimated by OMB and CBO pursuant to Sec (a) above would be allocated to each program, project or activity receiving a uniform percentage reduction as specified in the other sections of this Act, and shall report on the impacts of such reductions. This report shall be submitted no later than 60 days following enactment of this Act.

Mr. HART. Mr. President, the amendment I have sent to the desk is simply a study amendment—no more and no less. It requests information from the Defense Department that I need in my capacity as a member both of the Armed Services and Budget Committees. I hope it is information that every Member of this body would want as we begin a new budget cycle. It is the kind of information we might have received had there been hearings on this measure.

When the Senate passed the conference report on the defense authorization bill, it contained a provision requesting two studies from the Secretary of Defense. First, we asked for a revision of the Department's 5-year plan assuming budget authority based on a 3-percent real growth rate. Second, we asked for a similar report assuming a zero percent real growth rate. In each instance, this was a 5-year projection.

These two reports are to be submitted within 60-days after the enactment of the conference report. The Senate, as our colleagues know, passed the conference report in July. But the House did not act until last week. In other words, the clock has just begun to tick, and we should expect this report by mid-January.

My amendment adds a new requirement. When the Secretary submits this report to Congress, it shall also contain the effect of Gramm-Rudman on budget authority and outlays in fiscal year 1987, if there is an "impoundment" order. The amendment provides three alternative scenarios: Requirements that the President issue across-the-board cuts of \$10 billion, \$20 billion, and \$30 billion. The amendment asks: "Under these circumstances, what's the impact of defense?"

What is the impact of Gramm-Rudman on defense? The truth is that nobody is really sure. The sponsors do not know. The Pentagon will not say. And Cap Weinberger thinks he is exempt. It would be nice to know before this legislation became law. But this freight train is not stopping—even for red lights. All I am asking is to have this information early next year, before the budget cycle hits us in earnest.

What is the impact of Gramm-Rudman on defense? In an interview in the conservative newspaper Human Events, Secretary Weinberger said, "We can't have our defense and security be a total prisoner of a rigid formula designed to reduce the deficit." In the battle of the budget, the Secretary apparently believes he is a conscientious objector.

The House Armed Services Committee issued a staff analysis which concluded that Gramm-Rudman would threaten the Pentagon with drastic, automatic reductions in military personnel and equipment.

What did the Pentagon say? The analysis was "not unreasonable."

The distinguished Senator from Texas argued eloquently against passage of the House version of his bill: "As best as we can figure," the junior Senator said, "a \$25 billion sequester order, according to the figures provided by the chairman of the Armed Services Committee . . . could produce the elimination of about 600,000 military personnel." As best as we can figure, the Senator said. Could produce. That means, we do not know.

Mr. President, I think we ought to know.

We ought to know if Chairman ASPIN is right, will a 10-percent cut result in the firing of one-third of our military personnel? Will we halve our procurement of TACAMO aircraft? Halve the amount of spending in the shipbuilding account? Force a 112-percent cut in the M-1 tank? In truth, we ought to know before this bill becomes law. Failing that, we ought to know in 60 days.

The studies I am requesting are, in effect, already under way at the Pentagon. Ninety of our colleagues, Mr. President, voted for a bill asking the Secretary to submit two 5-year plans assuming zero percent and 3 percent real growth scenarios over the 1986 baseline. It is not unreasonable to ask that, in the first year, the Secretary also calculate the impact of an impoundment order for \$10, \$20, and \$30 billion in cuts under Gramm-Rudman.

If you care about procurement; if you care about soldiers' salaries; if you care about flying time, steaming time, grease and oil—the things that make our defense capabilities work—we must have this information.

Our colleague from Texas [Mr. GRAMM] always says, "we are firing with real bullets." If that is the case, let's see how many of them are hitting the Pentagon—and how.

Mr. President, the amendment on behalf of myself and the Senator from New York [Mr. MOYNIHAN] and the Senator from Tennessee [Mr. SASSER] provides that the Office of Management and Budget and the Congressional Budget Office shall determine in the next 60 days what levels of cuts

would occur under the Gramm-Rudman legislation under a sequester order that might be triggered by that legislation and provide that information to the Secretary of Defense. The Secretary of Defense himself would report on the impact of that sequester order and those reductions on defense accounts across the board.

The purpose of this amendment is to assure common understanding between the Houses of Congress and between Congress and the executive branch as to the impact of a failure of Congress to meet the targeted budget reductions on defense accounts and, further, to have an understanding and an agreement with the Secretary of Defense as to what levels those reductions would be and where those reductions would occur.

The principal concern of the Senator from Colorado has to do with statements made by the Secretary of Defense, the President of the United States, and other responsible officers of our Government as to how they believe this legislation will affect the defenses of our country. The Secretary of Defense was quoted as recently as last week as saying:

We can't have our defense and security be a total prisoner of a rigid formula designed to reduce the deficit.

He has made other similar comments along that line in recent days. He has also been notably silent when asked by other Members of Congress, including the distinguished chairman of the House Armed Services Committee, Mr. ASPIN, as to what his response would be if substantial reductions in manpower, procurement accounts, readiness, operations, and maintenance might occur, what view he takes of this approach. I ask unanimous consent that an open letter to Secretary Weinberger from Mr. Aspin, printed in the Washington Post of Sunday, October 27, 1985, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO SECRETARY WEINBERGER

DEAR CAP: I have been startled by the Pentagon's silence over the Gramm/Rudman legislation to force a balanced budget by 1991. Repeated efforts to get you or someone else from the Defense Department to testify before the House Armed Services Committee have met with refusals. Apparently, since the White House has given its imprimatur to Gramm/Rudman, no one in the Pentagon wants to speak up on how Gramm/Rudman could foul up defense. Although I respect this tremendous loyalty to your commander in chief, I question whether silence demonstrates good stewardship by the political leadership in the Pentagon.

Let me divide the issue into two parts. The first part is the argument I would expect you to be making. The second part is a compendium of facts that disturbs me greatly and that I think ought to disturb all citizens, regardless of ideology.

As you know, Gramm/Rudman establishes deficit ceilings, starting with \$180 billion in 1986. In each successive year, the ceiling is reduced by \$36 billion until we reach zero—that is, a balanced budget—in 1991. To enforce the ceiling, the legislation orders cuts if the deficit is expected to exceed the ceiling.

The first cuts would be non-Social Security cost-of-living allowances. After that, the remaining cuts would be determined by a formula. That formula is skewed to impose disproportionate cuts on defense. Defense makes up less than one-third of total federal spending. But if Gramm-Rudman is enacted and the formula kicks in for fiscal year 1986, the formula ensures that half the cuts will come out of defense—at the absolute minimum. The larger the amount by which the deficit exceeds the \$180 billion ceiling, the larger will be the slice cut from defense. The defense portion could rise to almost two-thirds, or double the share one would expect defense to contribute.

One reason for this skew is the decision to exclude such programs as Social Security from any cutbacks at all. But the hit on defense is further ballooned by the decision to include existing defense contracts in the pool of funding to be cut, while excluding most existing contracts for domestic programs.

Many liberals can and will argue that this is a fair distribution of cuts. In truth, this formula will save many domestic programs from meat-ax cuts, though many will still be badly chewed up. But what startles me is the Defense Department's silence in the face of this formula. For years, I have been hearing from you about the crucial significance of a major defense buildup. In recent months, we've been told how devastating it would be if defense budgets were held to only 3 percent annual growth in the next five years. Now, everyone is talking about a proposal that would not only force huge cuts in defense, but disproportionate cuts as well, and the word from the Pentagon is . . . silence.

I would observe, Cap, that you are painting yourself into a corner from which it will be almost impossible to argue for further defense increases. If the administration is going to worship at the altar of Gramm/Rudman, it is going to have to kiss the defense buildup goodbye. In fact, with Gramm/Rudman in place, you are going to preside over the largest peacetime defense cutback in history.

In your only public comment on Gramm/Rudman to date, you responded to a direct question from Human Events as to whether Gramm/Rudman could "impinge on defense outlays" by acknowledging, "Yes, it could"—but then promptly shifted into neutral gear. You said the president "would not feel required to make reductions in defense." What are you guys smoking over there? Is anyone over there reading this document? Such a statement makes sense only if the president intends to violate his oath of office and ignore the Gramm/Rudman statute.

There are others, less ideological problems with Gramm/Rudman that are causing me to lose sleep. If I were to try to sum it up in one sentence without resort to unnecessary, emotion-laden terms, I would have to say that it is just about the dumbest piece of legislation I have seen in my 15 years on Capitol Hill. Certainly, it is the dumbest piece of legislation to be given serious consideration by Congress.

There is a fundamental flaw in Gramm/Rudman that results from the conflicting concerns of Congress. Congress wants the deficit cut, but it doesn't want to give the president the opportunity to reshape national priorities—since that would effectively rewrite the Constitution by removing the legislative branch from the priority-setting process.

To make budget cuts rationally, you want to make them in lower-priority programs—and determining priorities is part of the political process. If you give the president the authority to choose where the ax will fall, you let him set priorities—and you give him the option of taking punitive action, like closing military bases in the districts of congressmen who don't support his programs.

To forestall such problems, Gramm/Rudman has laced together a legislative straitjacket that denies the president any priority-setting authority and instead imposes a strict formula for sequestering funds. It's ironic: in order to make sure the president cannot make cuts we dislike, Congress is prepared blindly to put in place a formula that forces cuts nobody wants.

Perhaps most astounding is that a 10 percent cut, which is quite possible in the fourth year of Gramm/Rudman, could force the firing of almost one-third of all those in uniform. Yes, one-third: 674,000 of the 2,150,000 persons in uniform. That's the equivalent of eliminating the Marine Corps—three times.

Will someone over there please read the fine print in Gramm/Rudman? The 10 percent cut would be imposed on each line item. The payroll for each service is a line item. Gramm/Rudman does not allow cuts in salary—so you have to lay people off. But a 10 percent cut in funds doesn't equate to a 10 percent cut in people. First, the firings won't take place until a month into the fiscal year. Then you have to pay to move these people and their furnishings home. And you have to pay them accrued leave. And there's a provision that prevents you from touching much of the money that has to be paid into the retirement fund. The synergism of this small print forces you to reduce the armed forces by almost a third to meet a 10 percent spending reduction. Ridiculous?

The straitjacket approach means that cuts have to be made even when they are plain bad management—even if they are patently ridiculous. You can see that in the weapons area, where Gramm/Rudman mandates that you shave equal amounts off every weapon system—not 20 percent off a low-priority program and none off a higher-priority program.

For example, let's say that Weapon A has been in production for several years and Weapon B is due to start production this year. The logical decision in a resource cutback is generally to take the entire cut out of Weapon B—by simply not starting production this year—and leave Weapon A untouched. But the Gramm/Rudman language forces you to produce both weapons and, probably, to produce both at uneconomic rates. You could well end up cutting the budgets for Weapon A and B by 10 percent, but cutting the numbers produced by 20 percent.

Take the example of the E-6A TACAMO aircraft. There are two of them in this year's budget for \$402 million. But because of all the overhead costs, one aircraft would cost only about \$40 million less than two. Thus, a cut of 10 percent in funding would cut production by 50 percent.

Another example is the infamous DIVAD air defense weapon, which was recently killed by the Pentagon as a flop. Under the Gramm/Rudman formula, an across-the-board cut of 10 percent would mean the Pentagon would only get credit for 10 percent of the savings from killing DIVAD. In other words, there would be no incentive to kill it. We couldn't even use the drastic budget-cutting formula of Gramm/Rudman to get rid of dogs like DIVAD.

Look at construction projects. The legislation says the president must make equal cuts out of each program listed in Appropriations Committee reports. Each construction project is listed in those reports. If we have funded 100 dams and must cut 10 percent, we can't just build 90 dams, we have to build 90 percent of each of the 100 dams. For military construction, we list individual buildings. Gramm/Rudman forbids that any project be killed. This presumably means that we will have to eliminate pieces of buildings—skip the top floor, don't put in air-conditioning, cut the number of restrooms. It's anyone's guess how it will be done. One possibility that worries me is that cheaper materials will be used so that the structures will simply deteriorate more quickly and we will face huge maintenance bills in the out-years.

Another anomaly is in shipbuilding. If Gramm/Rudman were to be triggered in fiscal year 1986, the minimum amount of spending that would have to be cut from each program would come to 2.6 percent. But to stop that amount of spending in the shipbuilding account—where appropriated funds spend out slowly—would require the president to sequester 51 percent of the new budget authority for each ship program. This budget arcana that is difficult to understand even if you are born with a green eyeshade. But the effect is easy to comprehend. Many FY '86 programs provide for only one ship. If you cut budget authority in a one-ship program by 51 percent, you can't build that ship. Applying that to the 26-ship plan in the 1986 budget, you would only be able to build 12 ships—at most.

One of the strangest impacts of Gramm/Rudman would fall on the M-1 tank. The legislative formula, run through all its permutations, would require that at least 112 percent of the 1986 funds authorized for the tank be sequestered if Gramm/Rudman were to kick in. That is admittedly an extreme case. As near as can be calculated, out of the few thousand line items in the defense budget, at least 35 would require the sequestration of more than 100 percent of the 1986 funds appropriated.

In outlining how Emperor Gramm/Rudman has no clothes, I have tried to be as precise as possible. There are many ways in which this legislation might be even more damaging than I have outlined, but the vagueness of the language prevents an analysis of the impact. Even the sponsors of some of the provisions are often unclear. One amendment to Gramm/Rudman that passed the Senate had Lawton Chiles of Florida declaring to the Senate three times, "There is no mechanism that would allow the president to cut Medicaid or AFDC [Aid to Families with Dependent Children]." Only minutes later, fellow sponsor Pete Domenici of New Mexico told the Senate, "They [Medicaid and AFDC] may be sequestered." There is an imprecision here that looks all too much like we are spinning a wheel of misfortune on some television game show.

The litany of ridiculous effects that I have outlined begs a question: Why is no

one speaking up for defense? And in particular, what about you? In the Nixon administration, you were called Cap the Knife. Later in the Pentagon, it was Cap the Ladle. If Gramm/Rudman goes into effect with your acquiescence, it will be Cap the Meat Ax.

Sincerely,

LES ASPIN.

Mr. HART. Mr. President, I think the sponsors of this legislation, the Gramm-Rudman amendment, have been very explicit—I should not say very explicit; some have been explicit, others have been less explicit—about the impact on the defenses on this country and our security accounts. There has been some disagreement among those sponsors and advocates as to the degree to which defense is impacted and, particularly within the broad framework of defense, how individual accounts such as readiness, operations and maintenance, and procurement might be affected. Assurances have been delivered, both privately and publicly, by the sponsors of the legislation that defense is covered under the legislation as are other items in the budget and, further, that no particular area of defense will be hurt more than others. The reason this amendment is offered, Mr. President, is not so much to determine that defense will bear its fair share of reductions under an impoundment order but rather that no single area of defense will bear any more burden than the defense budget itself will bear under an impoundment situation.

The concern is obvious, Mr. President. Secretary Weinberger has already said, before Gramm-Rudman, that if we are to go to a 3-percent growth, or particularly to a zero growth situation in outlying years, it is the intention of the administration not to cut strategic or nuclear weapons accounts, that all reductions from planned increases will be taken out of our conventional forces. The Senator from Colorado believes very strongly that that is a prescription for disaster, that it is a warping of the defense priorities of this country, and is an open invitation to those who wish us ill to take advantage of a weakened America. So this amendment is simply to certify and ratify what the sponsors of the legislation themselves have said; that is, one, that the Defense Department will bear its fair share of reductions and further that the Office of Management and Budget, the White House, or the Department of Defense will not have the authority to take out any reductions under an impoundment situation on the conventional or readiness accounts of our Defense Department.

I hope the sponsors of the Gramm-Rudman amendment and the distinguished floor manager will see fit to adopt this legislation. I think it will, in fact, send a signal that the Senate of the United States has a common un-

derstanding about how this amendment will affect the defense accounts and will go a long way to preventing erosion of our conventional strength.

The PRESIDING OFFICER (Mr. HECHT). Who yields time?

Mr. PACKWOOD. I yield 2 minutes to myself.

Mr. President, I am indebted to the Senator from Colorado for slightly redrafting the amendment to make it acceptable to everyone concerned. As far as I am concerned, speaking on behalf of our side, we are prepared to accept the amendment. We think it is a good amendment.

Mr. MOYNIHAN. Will the distinguished Senator yield 10 minutes to his cosponsor?

Mr. HART. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. HART. I yield 5 minutes to the Senator.

Mr. MOYNIHAN. Mr. President, the issues the Senator raises are as central to the concerns of this Nation as any could be. The proposition that he, and I, and others, have argued from the first time this legislation appeared on our floor—it never appeared in committee—is that we were gambling with the defenses of this Nation in a manner that just cannot be described in my view as responsible.

Just yesterday, in the Wall Street Journal, there was a serious report by two journalists, Mr. Robert W. Merry and Mr. Tim Carrington, entitled "Budget-Process Measure Sets Up Choice of Two Evils: Raise Taxes or Cut Defense." We are told we will never raise taxes. Let me offer a few items of interest from this article, which is based on extensive interviews in the Pentagon.

... Pentagon's share of the burden. Although the military budget amounts to about a third of total federal spending, defense might have to bear as much as 55% of the cuts.

By the end of the decade, for instance, the uniformed services might have to be cut by a third, according to a congressional staff analysis. Moreover, it says 16 of 24 naval vessels currently under construction might have to be mothballed.

On Wednesday, Navy Secretary John Lehman demanded a meeting with Secretary Weinberger to urge all-out opposition to the plan.

That is, the plan we are about to adopt tomorrow on this floor.

Fears that the automatic cuts will someday be triggered is shared inside the Pentagon. "If it triggers, it would create chaos," one budget planner in the department said, adding, "I'm thinking of early retirement."

Mr. President, I ask unanimous consent that the Wall Street Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Nov. 4, 1985]

BUDGET-PROCESS MEASURE SETS UP CHOICE OF TWO EVILS: RAISE TAXES OR CUT DEFENSE
(By Robert W. Merry and Tim Carrington)

WASHINGTON.—GOP Sen. Phil Gramm of Texas was an instant hit when he first went to the White House to explain the Gramm-Rudman plan to revamp the federal budget process. Conservatives particularly liked the expanded presidential authority to rescind congressional appropriations.

But by the time the plan became legislation and received the president's endorsement, it has changed. "Hey, where's the enhanced rescission authority?" asked White House communications director Patrick Buchanan at one meeting. "It's gone," replied another participant.

The disappearance of the rescission provision, which would have given the president more flexibility in budget cutting, illustrates how unpredictable the powerful Gramm-Rudman issue has become. Embraced for short-term political gain by a president intent on getting the upper hand on the deficit issue, the legislation seems to contain a host of unintended consequences. Budget experts say it's almost certain to intensify the war of budget priorities that has characterized this administration almost from its outset.

Under the budget plan embraced by the president, Mr. Reagan almost surely will have to choose between what he considers two evils in policy making—slashing defense or raising taxes. And many experts believe he may end up having to do both.

VOTER SENTIMENT

One thing is sure: Gramm-Rudman, which crashed on the Washington scene as lawmakers came to grips with voter sentiment on a balanced budget, inaugurates a new era of deficit politics. The bill has caught major elements of the Reagan government off guard just as it moves into the crunch of drafting the new budget that it will send to Congress in January. Most of the decisions will be made in the next six to eight weeks, and Gramm-Rudman is injecting big new uncertainties. The confusion is particularly acute at the Pentagon, which is proceeding with plans to seek a 3% real increase in arms spending despite predictions by experts that Gramm-Rudman dooms that goal.

In fact, Friday's House passage of a Democratic version of the budget-cutting concept adds to these uncertainties. It served to extend the political maneuvering on the bill at least a week—and puts the issue deeper into the White House budget writing process.

House passage of the Democratic version also creates added political difficulties for the administration. It would force deep cuts in the current fiscal year rather than waiting until fiscal 1987. And it would protect certain domestic programs from the budget ax, thus creating even greater pressure for deep cuts in the Pentagon budget. Republicans in Congress had strongly resisted these features, but now they may have to compromise on them.

The quickly changing terms of Gramm-Rudman have added to the sense of chaos at the Defense Department. "It's a greased pig," complains Richard Horanburg, a department lobbyist, "but it looks like the pig isn't going away."

Indeed, even after Friday's maneuvering it seemed likely that some form of Gramm-Rudman will clear Congress in the next

week or so. The bill's thrust is to tilt the balance of political power in Washington toward those whose first domestic priority is fighting deficits. The aim is to require a balanced budget by 1990 or 1991 with specified budget-reduction targets along the way. Failure by the president and Congress to meet those targets would trigger automatic, across-the-board budget cuts.

ON THE CHOPPING BLOCK

Defense programs are most prominent on the chopping block because once the automatic cuts are triggered, the largest share of them by far would fall on the Pentagon. And the greater the failure in reaching the specified targets, the greater the Pentagon's share of the burden. Although the military budget amounts to about a third to total federal spending, defense might have to bear as much as 55% of the cuts.

By the end of the decade, for instance, the uniformed services might have to be cut by a third, according to a congressional staff analysis. Moreover, it says 16 of 24 naval vessels currently under construction might have to be mothballed. Spare-parts accounts could dry up, warns Gordon Adams, director of a private watchdog group called the Defense Budget Project. "We could have a real readiness crisis," he says.

To prevent the evisceration of his high-priority arms buildup, the president would have to make sure that these automatic cuts never take place. Pentagon budget planners, intent on getting annual real spending increases of 3% in the next two years, expect Mr. Reagan to prevent those automatic cuts by reaching the specified deficit goals through domestic cutbacks.

But it isn't entirely up to the president. Congress inevitably will have its say, and lawmakers historically have shunned deficit attacks they consider too heavily weighted toward domestic cuts.

DRACONIAN DEFENSE CUTBACKS

Under Gramm-Rudman, those lawmakers promoting evenly distributed cuts and even tax increases gain added leverage over Mr. Reagan and his heretofore powerful defense secretary. If Mr. Reagan fails to meet the targets under the so-called balanced approach to protect his arms buildup, he would risk triggering the Draconian defense cutbacks of Gramm-Rudman.

Thus, Defense Secretary Caspar Weinberger, highly successful throughout most of the Reagan years in resisting budget compromises, may find himself forced to plead with the president to accept legislative budget packages nobody in the administration likes in order to forestall an even worse fate under Gramm-Rudman. He could find himself perpetually on the defensive.

Rhetorically asking whether Gramm-Rudman supersedes the president's 3% Pentagon growth goals for the next two years, one White House aide answers sadly, "It sure does."

What's more, congressional advocates of tax increases to combat deficits surely will use this new leverage to press their goals. Thus, to protect his defense buildup from the ravages of Gramm-Rudman, Mr. Reagan could find himself forced to accept some tax increases as part of a broad deficit-reduction package.

RECIPE FOR TAX INCREASE

"This bill is a recipe for an eventual tax increase," says John Albertine, head of the Washington-based American Business Conference.

The Gramm-Rudman legislation clearly strengthens the hand of those in Congress

most concerned about budget deficits. These are the lawmakers—who were instrumental in the 1982 tax-increase legislation and in forging the broad deficit-reduction package that fell apart this year when Mr. Reagan refused to entertain tax increases.

At the Pentagon, top officials have grown increasingly anguished over the measure. On Wednesday, Navy Secretary John Lehman demanded a meeting with Secretary Weinberger to urge all-out opposition to the plan. At a top-level Pentagon meeting on Thursday, "there was sackcloth, ashes and tears," says one Pentagon analyst who was present.

Administration officials said that in cabinet meetings on the plan, Mr. Weinberger stressed the potential devastation of defense programs and urged the president to resist the plan. In such battles in the past, President Reagan went along with Mr. Weinberger's call to expand the military, even if it meant adding to the budget deficit.

MOST POWERFUL VOICE

But those voices weren't any match for those in the White House supporting Gramm-Rudman. Probably the most powerful voice was that of chief of staff Donald Regan, described by one high-level aide as the strongest force in the White House on Gramm-Rudman. Since joining the administration, Mr. Regan has advocated across-the-board cuts—the sort called for in Gramm-Rudman—as an effective means of shrinking the deficit, but until this year he has been outflanked.

Pentagon planners are banking on the president's fending off cuts by sticking within the targets while preserving the arms buildup. Others, including many defense-industry lobbyists, think that's unlikely.

Fears that the automatic cuts will someday be triggered is shared inside the Pentagon. "If it triggers, it would create chaos," one budget planner in the department said, adding, "I'm thinking of early retirement."

Mr. MOYNIHAN. Mr. President, the point that the Senator from Colorado was making with such clarity is that we are at risk of going back in short order, 3, 4 years, to the readiness situation that President John F. Kennedy encountered when he became President in 1961. At that time, a long period of decline in conventional forces had left us with no serious military capacity save that of nuclear war. The notion of "more bang for the buck," as it had been devised in the 1950's, left us with no alternatives in international crises but to escalate them to the point of nuclear exchange. It took Kennedy and Johnson a long time to build away from that situation.

Now we are approaching that condition again. Is it possible that in one measure, never heard in committee, never debated in anything more than the context of the debt ceiling, that had to be passed, we are going to return to that situation?

If we do, we shall have a lot to answer for. The purpose of the amendment of the Senator from Colorado, which I am honored to cosponsor, is to find out, are we going to return to that limited level of readiness? I wonder if

that is not exactly what is in the Senator's mind.

Mr. HART. Mr. President, regardless of what position anyone in the Senate has taken on this measure, I think it is safe to say that Senators across the board understand we are dealing with a drastic approach to reduce deficits. I do not think anyone quarrels with the nature of the activity we are undertaking. All agree that one of the most important functions, not only of the executive branch but the legislative branch, is to provide for the security of this Nation. At the very least, when we go to the next budget round, which is what this amendment contemplates, that is to say, a 60-day report available to us by January, we ought to know what effect this dramatic, drastic effort to reduce deficits has on this Nation's security.

That is all this amendment says. Further, we ought to all be in agreement as to what that effect would be if the so-called impoundment or sequester process is triggered.

And so that is the only function this amendment provides. For the Senator from Colorado, it provides the additional function of helping to guarantee, to the degree that it is possible, that no single area of defense, particularly the readiness of our conventional forces, will suffer a disproportionate share of reductions if in fact dramatic or drastic, draconian cuts occur. That is the only purpose of this amendment. I think it is about as central to what the Senate and the Congress ought to be doing as anything I can imagine.

I thank the Senator from New York for his support. I understand fully the effort he is making to get clarification, as is the Senator from Colorado, and I am pleased and honored to have his support on this measure.

Mr. MOYNIHAN. May I say to my friend, would it be wrong to describe his amendment as the suggestion that after we do this, we find out what it is we have done?

Mr. HART. At the very least.

Mr. MOYNIHAN. At the very least.

Mr. HART. Actually, if we were legislating properly, we would have had hearings on the matter. The Secretary of Defense would have been called up. He could have said, "I oppose it for the following reasons," or, "I support it for the following reasons and, if it becomes law, here is the effect it will have on my Department."

Since we have not done that and have very little chance of getting that information in the next 24 hours, at the very least, within 60 days, we ought to have that kind of information.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PACKWOOD. Mr. President, I yield back all the time on this side.

Mr. HART. Mr. President, I ask unanimous consent that the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Vermont [Mr. LEAHY] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 965) was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STATEMENT OF POSITION ON VOTE—CORPORATE MINIMUM TAX PROPOSAL

● Mr. MATTINGLY. Mr. President, on October 8, 1985, the Senate adopted an amendment by Senator BOREN to the debt limit bill. I supported the amendment. It directed the Committee on Finance to report to the Senate by July 1, 1986, legislation providing for payment of an alternative minimum corporate tax by corporations on the broadest definition of income to assure that all of those with economic income pay their fair share of taxes. The amendment provided further that revenues raised from the alternative minimum corporate tax would be applied toward reduction of the deficit. I believe that this latter provision is as important as the concept of the corporate minimum tax itself. Too often, Congress raises taxes with the intention of reducing the deficit, only to use the additional revenue to fuel further Federal spending. Senator BOREN's amendment addresses that problem.

Yesterday, the Senate once again considered and passed, by a vote of 72-15, a corporate minimum tax proposal. The amendment, sponsored by Senators BOREN and METZENBAUM, directs the tax-writing committees of both houses to report a corporate minimum tax by April 15, 1986, to be effective as of July 1, 1986. Just as in the October 8 proposal, revenue raised by the legislation would go to reducing the deficit. I was necessarily absent from yesterday's vote due to an out of town commitment. However, had I been present, I would have supported the amendment. I believe fairness dictates that every corporation with economic income must share in the tax burden.●

Mr. DOLE. Mr. President, while Senators are meeting to discuss what may remain on this matter, I wonder if we could move to a couple of nominations.

While we are waiting for the distinguished minority leader, let me indicate that it is my hope that we can now go into executive session. I will not make that request until the minority leader arrives. The distinguished chairman of the Foreign Relations Committee is here. We have both the Spain and Lord nominations. One will require a rollcall, the Lord nomination. Then we would return to the debt limit extension and hopefully have some agreement then on the remaining amendments. It is my hope that we can vitiate the amendments with the exception of the Moynihan amendment. We will go back on this bill tomorrow at 1 o'clock and take up the Moynihan amendment, also an amendment to be offered by Senators DOMENICI and CHILES, and then final passage at approximately 2 p.m. But we do need to find something to do tomorrow morning that would be constructive, either military construction, Civil Service retirement, or nominations. But we are advised that the Kozinski nomination will not be available.

EXECUTIVE SESSION

Mr. LUGAR. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of James W. Spain.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

NOMINATION OF JAMES W. SPAIN TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

The assistant legislative clerk read the nomination of James W. Spain, of California, a career member of the Senior Foreign Service, class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to be Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

Mr. HELMS. Mr. President, Senator BOSCHWITZ and I met with the nominee today with reference to several concerns, one of which was an article he wrote in 1982, published in 1983, which, to say the least, had some curious observations that the nominee could not possibly support.

Over a period of weeks, I have been in correspondence with the nominee, seeking to have him answer some questions which he never answered,

certainly with no clarity. So the meeting this afternoon was held. I will not go into the details of that meeting, other than to say that Mr. Spain recognizes now that he overspoke himself—if that is the proper word—when he wrote the article.

He made allegations, for example, that nominations for ambassadorial posts can be obtained for \$5,000 up, depending on the location of the embassy in question.

In any case, Mr. President, I see no point in further discussion about this nomination, and I am perfectly willing to let it go through, even though I do wish that the State Department and/or Mr. Spain had much earlier responded to the questions posed. He did not and the State Department did not, and there is nothing new about that. That goes on all the time around this place.

In any case, we did have the meeting; and while I want to be registered as voting in the negative on a voice vote, I am perfectly willing for it to go to a vote.

I do not know whether the distinguished Senator from Minnesota [Mr. BOSCHWITZ] desires to comment on this nomination, but that will be up to his judgment.

I yield the floor.

Mr. BOSCHWITZ. Mr. President, I do indeed want to comment.

I attended the hearing about Ambassador Spain, and we have had a couple of discussions in the interim.

He certainly published an article in 1982 or 1983 that showed poor judgment and made some statements with respect to the Senate and with respect to ambassadorial posts. I know he has said that he regrets having made them.

Frankly, we want to discourage that kind of writing. We think people should write about their experiences and about the conditions of the world but not how much, allegedly, ambassadorial posts cost, nor make any specific reference to Members of the Senate. We do not think that particularly helps the process, nor does it bring credit, in my judgment, to the foreign service.

Other than that particular article, I think Ambassador Spain has had a distinguished career in the foreign service. He has served as Ambassador to Tanzania and also served as Ambassador to Turkey, which is one of our principal and most diligent and most important NATO allies. So this one article should not serve as a judgment of his career in the foreign service, which has spanned more than a quarter of a century.

However, it is absolutely the prerogative and the duty of Senators, in my judgment, to examine all aspects of a nominee and to question his judgment with respect to his writings or with respect to his past service.

So I will vote for the nominee, and I wish him well in Sri Lanka, which is an important post, where there are difficulties. It is an important post for the United States because we have had good relations with Sri Lanka and have had access to its ports, and we have always found the Sri Lankans to be friends.

I will register my vote in the affirmative, and I wish the Ambassador well in his new post.

I yield the floor.

Mr. HELMS. Mr. President, I think the most constructive thing that has come out of this is that now a message has been sent to the State Department, and perhaps to future nominees, that their best course of action henceforth would be to give straight answers to straight questions.

We did not get that. We did not get it for weeks on end.

I am indebted to the distinguished majority leader for arranging for the nominee to come to the Capitol and meet with Senator BOSCHWITZ and me and the majority leader. I think that out of this has come something that made clear the air.

I do not know whether it is my head talking or my heart. But, in any case, there is entirely too much obfuscation by the State Department in these matters, and as long as they persist in doubletalk, they are going to have a problem.

I do not want to cause any problems, but I intend to continue to insist that we get straight answers. Today we got some straight answers and an apology and that is satisfactory to me.

I yield the floor.

Mr. DOLE. Mr. President, let me indicate that I appreciate the fact that we have Mr. Spain before the Senate. I believe his nomination will be confirmed without a rollcall vote.

I wish to thank both the Senator from North Carolina and the Senator from Minnesota, Senator HELMS and Senator BOSCHWITZ, both members of the Foreign Relations Committee, for taking about 1½ or 2 hours today to meet with Mr. Spain and ask him direct questions. I am pleased that there has been that resolution.

I also believe that there probably has hopefully been a message received at the State Department. I thank my distinguished colleague from North Carolina. He has indicated to me for the last 2 or 3 weeks if we could get some answers, he had no objection. So today we got the answers and Senator HELMS indicated almost immediately that he has no objection to the nomination and that is why it is on the floor.

I think it is fair to say that—and it may have already been said—the distinguished Senator from North Carolina also has discussed both nominations, I understand, late this afternoon with the President of the United

States and they have had a good discussion.

So I thank all of the parties for letting us move forward on this nomination and the nomination of Winston Lord.

The PRESIDING OFFICER. If there is no further debate, the question is, Will the Senate advise and consent to the nomination of James W. Spain, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka?

The nomination was confirmed.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF WINSTON LORD, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. LUGAR. Mr. President, I ask unanimous consent that the Senate turn to the consideration of the nomination of Winston Lord, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

The PRESIDING OFFICER. The clerk will report the nomination.

The assistant legislative clerk read the nomination of Winston Lord, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

There being no objection, the Senate proceeded to consider the nomination.

Mr. LUGAR. Mr. President, Winston Lord currently serves as Chairman on the President's Council on Foreign Relations. He received his B.A. from Yale University, magna cum laude, and his M.A. from Fletcher School of Law & Diplomacy, where he finished first in his class.

He became a Foreign Service officer in 1962 and served in the offices of Congressional Relations, Political-Military Affairs, and International Trade.

In 1967, Mr. Lord left the Foreign Service to join the policy planning

staff of the Office of International Security Affairs at the Pentagon and remained there until 1969 to take a position in policy planning at the NSC.

Mr. Lord was elevated to special assistant to Dr. Henry Kissinger in February 1970. In 1973, he became director of the policy planning staff of the Department of State, where he remained until January 1977 to accept his present position.

Mr. Lord has accompanied Presidents Nixon and Ford, as well as Dr. Kissinger, on virtually all foreign trips during negotiations with the North Vietnamese in Paris and Hanoi, nine trips to the People's Republic of China, six trips to Moscow, and several trips to every other region of the world during his tenure in their service.

In our judgment on the Foreign Relations Committee, he is a distinguished nominee. He was nominated on July 23 and a hearing was held on Mr. Lord's nomination in the Foreign Relations Committee on July 30. He was reported to the Senate with a favorable vote of 16 to 1 on October 1.

For all of these reasons, Mr. President, I commend this nomination to the Senate. I am hopeful that Mr. Lord will be confirmed by a large vote today.

Mr. MOYNIHAN. Mr. President, I rise briefly in support of this distinguished nomination the President has sent to us. I have been, I hope I can claim, a friend of Winston Lord for getting on to two decades. He is, of course, a New Yorker and has been, in recent years, the chairman of the President's Council on Foreign Relations.

I shall make two points, if I may, simply that we have here a fine example of a career officer of the State Department by sheer ability rising into the ranks of executive and political policymaking because he has been asked such by the President. We have been graced in this century with a succession of men, and recently women, of this quality. It is extraordinarily gratifying to me to see it recognized in this nomination to be Ambassador of the world's most populous nation and certainly one of the most important.

I might also add a political felicitous quality to the nomination is that Mr. Lord is a graduate of Fletcher School, as I am, may I say, and is married to another Fletcher School graduate, Betty Bao Lord, who is Chinese, is fluent in that language, and eminently learned in the history of that nation. She will be an uncommonly helpful associate to the Ambassador when they arrive in Peking as they will shortly do. I congratulate them both and especially thank the chairman of the Committee on Foreign Relations for having brought this matter to such a reasonable and successful conclusion.

Mr. HELMS. Mr. President, as the distinguished majority leader indicated earlier, I had a lengthy conversation with the President today about this nomination. I assured the President that it was not my intent at any time to unduly delay the consideration of the nomination and the confirmation of Mr. Lord.

Mr. President, I find myself in a position of having to do whatever I can to support and defend a conviction that I have had for a long time, and that is that this Nation must never condone the deliberate termination of innocent human life. And I must say, Mr. President, that as long as I am a Member of the Senate I intend to continue to do whatever I can to defend that position. That is what was involved in the delay of the Lord nomination.

It was not the Senator from North Carolina who was holding up the nomination. It was the combination of lawyers at the State Department who insist on writing vague, unclear language with loopholes.

Five or six weeks ago, I made clear that all they had to do was to say to me that they intended to enforce and abide by the law. They kept coming back to me with responses that diffused the issue, that created another loophole. And I continued to tell them that I will not budge on this, and I would not have budged until I had assurance satisfactory to me, which I received this afternoon, not from the lawyers at the State Department, not Mr. McPherson at AID, but from the President of the United States.

Now let me tell you what Mr. Lord has done in the last couple of weeks. He has gone around to the major media or called them and orchestrated a snowstorm of stories and broadcasts implying that the Senator from North Carolina is doing something unreasonable.

And, of course, the news media complied. There have been the stories, and this is the way it works in this town. But I have news for Mr. Lord and I have news for the major news media: I am beyond your reach. And as long as I am a Member of the U.S. Senate I am going to do whatever I can to prevent this Nation from getting into the business of condoning and financing, directly or indirectly, the deliberate termination of innocent human life.

Yesterday I hand-delivered a letter to the President of the United States—his people on the Hill—and that was the basis for our conversation today. Normally, I would just insert this letter in the Record. But I am going to read it because it makes the point that I have been trying to make for 5 or 6 weeks that, if you will just assure me that the law will be obeyed, the nomination of Mr. Lord will be cleared at least by this Senator. But I could not get that assurance. Not until this

afternoon when I talked to the President of the United States was there an understanding. But here is what I wrote to the President yesterday:

DEAR MR. PRESIDENT: A flurry of misleading reports, clearly orchestrated, have appeared in the news media about the delay in Senate consideration of your nomination of Winston Lord to be Ambassador to Peking.

Despite all the pretense to the contrary, there's really only one question standing in the way of the Lord nomination: Will the Agency for International Development and the State Department obey the law on U.S. assistance to organizations supporting programs of coercive abortion and involuntary sterilization?

I have repeatedly asked for unfettered assurance, without loopholes, on this matter—and I am yet to receive it. I have offered to meet with you about it, but my offer has been avoided.

Let me say, parenthetically, Mr. President, that I discovered in my conversation with the President this afternoon that the message that I was trying to send him yesterday had never been delivered.

This letter finally reached his desk this afternoon.

But let me continue my letter to the President:

To date, the Administrator of AID has indicated that he will not carry out the plain meaning and clear intent of the Kemp amendment as enacted into law on August 15, 1985. If the Administration will provide Congressman Kemp, the several other concerned Senators, and me, assurance that the Kemp language will be enforced, there will be no more delay on the Lord nomination. In fact, this would have occurred weeks ago.

At this point, Mr. President, I stated suggested language for a letter, simple English, and I will not take up the Senate's time to read that language.

I ask unanimous consent that the whole letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. SENATE,

Washington, DC, November 4, 1985.

THE PRESIDENT,

The White House, Washington, DC.

DEAR MR. PRESIDENT: A flurry of misleading reports, clearly orchestrated, have appeared in the news media about the delay in Senate consideration of your nomination of Winston Lord to be Ambassador to Peking.

Despite all the pretense to the contrary, there's really only one question standing in the way of the Lord nomination: Will the Agency for International Development and the State Department obey the law on U.S. assistance to organizations supporting programs of coercive abortion and involuntary sterilization?

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cerned Senators, and me, assurance that the Kemp language will be enforced, there will be no more delay on the Lord nomination. In fact, this would have occurred weeks ago.

We would be fully satisfied by the following simple statement:

"Let me reassure you as to the interpretation this administration will give to the Kemp language during fiscal year 1986, should it remain the law. Specifically, AID could find the United Nation Fund for Population Activities, assuming no other violations of U.S. law, (1) if UNFPA were to pull out of China completely; or (2) if China were to cease its coercive abortion and involuntary sterilization practices."

Jack Kemp has made clear that this statement accurately describes the purpose of his legislation.

Mr. President, such a clarification is necessary because on prior occasions Mr. McPherson has given an interpretation of the Kemp Amendment at odds with the above statement.

For example, in a September 25 press release, Mr. McPherson indicated that UNFPA could continue receiving U.S. assistance if it stopped participating in the management of the coercive Chinese Program, even though it continued to support the coercive program generally. This interpretation guts the intent of the Kemp language to prohibit U.S. population assistance "to any organization or program which, as determined by the President of the United States, supports . . . a program of coercive abortion or involuntary sterilization."

Mr. President, the American people would never tolerate a government in Washington that told married couples they could have only one child or else be forced to undergo abortion and sterilization. Yet that is exactly what the government in Peking has been doing to the Chinese people. Accordingly, the Kemp amendment represents the revulsion of the American people over the one-child policy of the Peking regime. Furthermore, it mandates that American taxpayers should not be forced to participate with their tax dollars, directly or indirectly, in what the House of Representatives accurately condemned as "crimes against humanity" on July 10.

Perhaps there are some in Washington who would take a soft line toward the barbarities of the Chinese Rulers in Peking. I've known you a long time, and I know you would not. Therefore, I respectfully ask that you assure us in Congress that the Kemp amendment will be fully enforced. Not only will such action end further delay on the Lord nomination—as it would have done weeks ago—but it will also help relieve the suffering of the Chinese people—and especially the Chinese women—who have already undergone more than their share of violence and brutality.

Respectfully,

JESSE HELMS.

Mr. HELMS. Then I went on to say: "JACK KEMP has made clear that this statement accurately describes the purpose of his legislation."

And it is important to note that Mr. KEMP sponsored the legislation on the House side and the distinguished Senator from Hawaii and the Senator from North Carolina, Mr. INUYE and JESSE HELMS, sponsored various modifications in it on this side.

To continue the letter:

Mr. President, such a clarification is necessary because on prior occasions Mr.

McPherson has given an interpretation of the Kemp Amendment at odds with the above statement.

For example, in a September 25 press release, Mr. McPherson indicated that UNFPA could continue receiving U.S. assistance . . . make that read "U.S. taxpayers' money."

. . . if it stopped participating in the management of the coercive Chinese Program, even though it continued to support the coercive program generally. This interpretation guts the intent of the Kemp language to prohibit U.S. population assistance "to any organization or program which, as determined by the President of the United States, supports . . . a program of coercive abortion or involuntary sterilization."

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The concluding paragraph of my letter to the President dated yesterday delivered yesterday afternoon by hand:

Perhaps there are some in Washington who would take a soft line toward the barbarities of the Chinese rulers in Peking. I've known you a long time, and I know you would not. Therefore, I respectfully ask that you assure us in Congress that the Kemp amendment will be fully enforced. Not only will such action end further delay on the Lord nomination—as it would have done weeks ago—but it will also help relieve the suffering of the Chinese people—and especially the Chinese women—who have already undergone more than their share of violence and brutality.

Now, then, Mr. President, let me read into the RECORD a letter from JACK KEMP, Congressman KEMP, the distinguished Member of the House of Representatives from the State of New York, dated October 16.

DEAR JESSE: Just a note to let you know how much I appreciate your efforts and the efforts of your colleagues in helping to achieve an accurate interpretation of the Kemp-Helms amendment by the State Department.

I believe, as you do, that the language clearly prohibits funding for the UNFPA or any other organization that supports the brutal population control program of the People's Republic of China.

With best wishes, I am

Sincerely,

JACK KEMP,
Member of Congress.

I read that letter into the RECORD to emphasize the point that there is no question about the intent of the law, never has been, and yet I get double-talk day after day from Peter McPherson, head of the AID, and frankly, Mr. President, I am tired of it, and I say to Mr. McPherson or any other lawyer at

the State Department that if they want to continue to play games, they are going to have games; and I am going to exercise my right as a Senator from North Carolina to uphold and defend a conviction that I have had a long, long time that this Government should never, never get in the business of condoning, let alone financing, directly or indirectly, the deliberate termination of innocent human life.

Now, for Mr. Lord, when he appeared before the Foreign Relations Committee the first time, as my distinguished chairman knows, I was otherwise occupied trying to mark up the farm bill, and I was not able to be there. I respectfully requested of Senator LUGAR, one of the finest chairmen and most cooperative Senators I have ever known, that I be given the opportunity to question Mr. Lord at additional hearings. He readily agreed. That occurred.

Mr. Lord would not give me a straight answer. He said, "Well, I support the Administration policy." I said, "What do you mean? What part of the administration?" I could not get Mr. Lord to say, "I will support obeying the law."

Mr. President, we need straight talk. I do not ask people to agree with me or disagree with me. But I think I have a right to say, "Look, tell me you are going to obey the law."

He would not do it. Not until this afternoon when I talked to the President of the United States did I have the assurance that I needed about that question.

So I say again, I never get involved in putting holds on nominations for a frivolous purpose, but I have grown weary of trying to deal with people who will not look you in the eye and give you a straight answer. I say to them if they think they can wear me down, let them try, because they are going to continue to have trouble as long as they do not give straight answers and as long as they do not cooperate.

They are going to call the tune by their conduct, not the Senator from North Carolina. I am just going to exercise my rights as one Senator, using such parliamentary procedures as I know, and that is very little. But I am going to defend what I believe in.

I do not care how many people disagree with me, if that is 95 percent of them, or 50 percent of them, or whatever.

I am sick and tired of the pretense that those people across America who believe that it is wrong to engage in the deliberate termination of an infant's human life are somehow old hat people who are not in step with modern times. If that is the modern times, to engage in the deliberate ter-

mination of innocent human life, then I am old fashioned.

Mr. President, I will not support the nomination of Mr. Lord, but I am delighted that at long last, by talking to the President of the United States, we were able to reach an understanding about where the administration really stands.

Mr. President, when great evils take place in the world, great powers seize the opportunity to remedy them. The United States is a great power, and our mission has always been to oppose tyrants and defend freedom.

Sometimes, however, the personnel left in charge of conducting our foreign affairs are not up to the task. They become enmeshed in intricate and unimportant diplomatic machinations, and lose sight of the mission of freedom that has been the historic legacy of the American people.

We lost Vietnam, I am convinced, Mr. President, because the foreign policy establishment failed to translate basic American principles into effective action. Now on the same continent, albeit in a different country and context, we are witnessing a similar failure. The tyrants of mainland China have gotten away with murder and mayhem on a massive scale under the pretense of population control.

And what have our foreign policy experts done about it? Mr. President, not only have they failed to take effective action to stop the butchery, but they have also given the tyrants, to an important degree, the wherewithal to carry it out.

Mr. President, what the Agency for International Development has done under the tenure of Administrator M. Peter McPherson with respect to the Chinese population control program is, simply put, a disgrace to American principles of freedom and liberty. Instead of seizing the opportunity to help remedy a great evil against the Chinese people, AID has in fact cooperated with it.

Mr. President, the occasion of Senate consideration of the nomination of Winston Lord to be United States Ambassador to Communist China is an appropriate time to examine the performance of AID and the State Department with regard to the crimes against humanity going on in China under the guise of population control.

Mr. President, I do not use the term "crimes against humanity" lightly. That is the description applied to the Chinese population program by the U.S. House of Representatives in an amendment to the foreign aid bill, which was adopted in that body on July 10 of this year.

Many will ask—and properly so—what in fact does the United States have to do with the Chinese population control program, and what does Winston Lord, as prospective United

States Ambassador to China, have to do with our policy in that regard.

Well, Mr. President, the answer to the first question is that the U.S. taxpayers have been supporting the draconian Chinese program with their tax dollars for many years, including the year just ended on September 30. The answer to the second question is that, during his confirmation hearings, Mr. Lord indicated his agreement with current State Department policy on China, and more particularly his agreement with AID's restrictive and erroneous interpretation of the Kemp-Inouye-Helms amendment against U.S. support for coercive abortion and involuntary sterilization.

Mr. President, the full story of United States support for the Chinese crimes against humanity is indeed a sordid tale. What makes it even more sordid is that it has occurred, in all probability, against the wishes, and certainly against the philosophy, of Ronald Reagan. In other words, the President of the United States has been extremely ill-served—and I will even say subverted—by those whose job it is to carry out his policies.

Mr. President, let me be specific. The political philosophy of Ronald Reagan does not include support for abortion, coercive abortion, or involuntary sterilization. Moreover, the law of the land prohibits U.S. financial support for such practices. Yet, despite all this, it is a fact that under the Reagan administration, during the most repressive years of a Chinese program including forced abortion and coercive sterilization on a massive scale, United States tax dollars were flowing into China by the millions in support of population control.

Mr. President, where was the Administrator of AID, Mr. M. Peter McPherson, in carrying out the Reagan prolife philosophy and the letter and spirit of the congressional enactments? Why did it take until September 1985, after millions of Chinese women had been abused and unknown numbers of unborn babies aborted, before the AID Administrator reduced the U.S. contribution to the U.N. Fund for Population Activities—which serves as the conduit for United States support of the Chinese programs? And where were the spokesmen for the U.S. Government and the American people during the 1980's in defending the human and natural rights of all the Chinese people, especially Chinese women on whom the brunt of the coercion has fallen?

Mr. President, the beginning point of any discussion about United States involvement in the Chinese population program is to have well in mind the facts. The key fact for the American taxpayers is the amount of their money that has been used to support the Chinese program.

According to information supplied my office by AID, the United States has made the following contributions to the UNFPA over the past several years, representing about a quarter of its annual budget:

Fiscal year	Millions
1981.....	\$35
1982.....	33.76
1983.....	33.76
1984.....	38
1985.....	38

According to information from the same source, UNFPA in turn has made the following contribution to the Chinese program:

Calendar year:	Millions
1981.....	\$14.985
1982.....	10.504
1983.....	10.012
1984.....	5.652
1985.....	13.124

¹ Planned.

What were the contributions by UNFPA used for in China? That is the question I put to the AID Administrator many months ago, and in early August I received a partial answer. I now ask unanimous consent to put into the RECORD part of the reply Mr. McPherson sent me, and I note that no further correspondence on this particular subject has been received to date.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AGENCY FOR INTERNATIONAL
DEVELOPMENT,

Washington, DC, August 6, 1985.

Hon. JESSE HELMS,
U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: Thank you for your letter of June 14, requesting information on the assistance which the United Nations Fund for Population Activities (UNFPA) provided to China during the period 1982-84. Our responses to most of your questions are enclosed.

We will be in further communication as we receive the additional information requested from UNFPA. In the meantime, if you should have any questions on the enclosed material, please let me know.

Sincerely,

M. PETER MCPHERSON.

Enclosures:

1. Responses to Senators Helms/Humphrey Letter June 14, 1985.
2. United Nations Press Release, 18 March 1983.
3. General Assembly: Operational Activities for Development 19 November 1981.
4. UNFPA Policy Guidelines, 13 July 1984.

RESPONSES TO SENATORS HELMS/HUMPHREY
LETTER

Q. 1. As indicated in your letter, nearly \$12 million was used by UNFPA for Maternal and Child Health and Family Planning in China during 1982-84.

a. What amount was spent on service delivery?

UNFPA assistance funded only study tours, fellowships, consultancies, and equipment for individuals or institutions involved in service delivery, excluding abortion. No other support was provided for service delivery operations in China.

What hospitals received assistance and for what specific purposes?

No hospitals received assistance for their operating budgets. WHO, UNFPA's executive agency, provided study tours, fellowships, consultancies, and equipment, unrelated to abortion, to some hospitals. The purpose of UNFPA assistance was the improvement of perinatal services. The hospitals that received these forms of UNFPA assistance were: Capital Hospital in Beijing, Beijing Obstetrical and Gynecological Hospital, Tianjin Municipal Obstetrical and Gynecological Hospital in Tianjin, Hubei Provincial MCH Hospital in Wuhan, Shaanxi Provincial MCH Hospital in Xian, Kunming MCH Hospital, Luizhou MCH Hospital, and Changping MCH Hospital.

What publications were funded?

UNFPA did not fund any publications for these institutions.

Do such hospitals provide abortions, sterilizations, and IUD implants?

Training fellowships for hospital personnel included sterilization and IUD procedures as a part of perinatal instruction. UNFPA-supported training did not include abortion procedures. Sterilization and IUD implants are available at the above hospitals, and since abortion is legal in China, it is also provided at these hospitals.

What role do such hospitals play in implementing the one-child policy?

We do not know of any specific statement of the Chinese government that indicates the role of these hospitals in implementing its population policy. The health and family planning services provided by these hospitals affect the morbidity, mortality, and fertility of the populations they service.

b. What amount was spent on training?

Approximately \$3.6 million was spent on training from 1982 to 1984.

What specifically was taught?

Training was provided by various Western medical centers, using the training curricula for perinatal health services and neonatology that each center has developed. These institutions included: the Perinatal Center of Cornell University, Columbia Presbyterian Hospital, Boston Hospital for Women, Holy Cross Hospital, McGill University Teaching Hospital, and McMaster University Hospital.

Are sample training materials available? If so, please provide copies.

Training materials are available on request from each of the training institutions. Since the volume of material is considerable, we are asking UNFPA to provide copies of the curricula of representative training institutions. If on examining these, you want to review the training materials in greater detail, we will ask UNFPA to obtain these from the respective institutions.

What is the connection between this training and the one-child policy?

We do not know of any specific statement of the Chinese government that indicates the role of this training in implementing its population policy. The Chinese commitment to training programs is designed to improve the technical skills of the personnel trained which contributes to improved health for the Chinese people.

c. What amount was spent on management and evaluation to assist the State Family Planning Commission?

\$500,000 was used for these purposes during 1982-84.

What specifically was taught?

Consultancies, fellowships, and study tours were used by UNFPA to teach improved methods of collecting service statis-

tics and establish modern management information systems.

What amount was spent on calculators?

During the period, 1980-84, \$925,000 was spent on the procurement of desktop calculators.

How many and what kind were purchased?

4,205 desktop calculators were purchased, from 1980-84, using international procurement processes that involved competitive bids.

How were they made available to the Chinese?

These calculators were provided to the State Family Planning Commission which made them available to various offices under its jurisdiction.

What amount was spent on books and periodicals?

No funds were used to pay for books and periodicals.

What books and periodicals were purchased?

N/A. See above.

Does the State Family Planning Commission collect information on compliance with the one-child policy and on abortions and sterilizations?

The Commission collects service statistics which include standard information on contraceptive use, sterilization, abortions, infant mortality, maternal deaths related to childbirth, etc. Statistics collected on family size would enable the Commission to assess the effectiveness of the one-child policy.

What is the role of the State Family Planning Commission in the planning, implementation, and enforcement of the one-child policy?

The State Family Planning Commission is the principal government ministry responsible for the planning and implementation of Chinese family planning policy.

d. What amount was spent on human reproduction and contraceptive research?

UNFPA provided \$2.7 million for human reproduction and contraceptive research during 1982-84.

What amount was supplied to the national research institute in Beijing?

Approximately \$2.0 million was provided to the national research institute in Beijing during 1982-84.

What are the activities of such institute?

The institute is directed to strengthen research on the safety and efficacy of current methods of family planning, to conduct research on the development of new methods, and to serve as a national resource on research and information in this area.

Do such activities include advancing the one-child policy?

We do not know of any specific statement of the Chinese government that indicates the role of the national research institute in advancing the one-child policy. The research undertaken at the institute with UNFPA support makes improved contraceptive methods available to the Chinese family planning program.

Does such institute or any of the regional institutes with which it confers carry out research on abortion and sterilization?

The national research institute in Beijing conducts research on sterilization (vasectomy) and gossypol. UNFPA does not support research on abortion at the institute and we do not know whether research on abortion is carried out either at the national institute or at regional institutes.

What amount was spent on international meetings for institute personnel?

No UNFPA support was provided for attendance at international meetings.

What institute personnel attended? Who sponsored such meetings? Where were they held?

N/A. See above.

e. What amount was spent to assist the Government with contraceptive production and packaging?

\$1.0 million was spent for these purposes during 1982-84.

What types of contraceptives are produced?

Condoms, IUDs, injectables, and oral contraceptives are produced with UNFPA assistance.

What were the steroid synthesis and injectable contraceptives funded in the Shanghai factory?

The individual dosage of the injectable was 200 mg of 17 hydroxyprogesterone caproate with 5 mg of estradiol valerate.

How much was spent on the project?

\$250,000 was spent on this project during 1982-84.

What is the role of the Shanghai factory in the one-child policy?

We do not know of any specific statement of the Chinese government that indicates the role of the Shanghai factory in implementing its one-child policy. The factory makes reliable contraceptives available to the Chinese family planning program.

f. What amount was spent to assist the Government in expanding the capacity of the Tianjin manufacturing plant to produce IUDs?

\$760,000 was provided during 1980-84.

What was the nature of such assistance?

UNFPA-funded technical assistance and equipment was provided to improve the quality of contraceptive manufacturing and to expand the manufacturing capacity for IUDs.

What results were achieved by such assistance?

Three years (i.e., about 1987) after the completion of the project, the plant is expected to produce 2,000,000 IUDs annually.

What is the role of the Tianjin plant in the one-child policy?

We do not know of any specific statement of the Chinese government that indicates the role of the Tianjin plant in implementing its one-child policy. The factory makes reliable IUDs available to the Chinese family planning program.

Q. 2. As indicated in your letter, \$5.4 million was used by UNFPA for Population Dynamics, Demographic Training and Research in China during 1982-84.

What specifically was this money used for?

The funds paid for fellowships, consultancies, study tours, and equipment designed to strengthen local capacity to analyze demographic data.

To what extent are the one-child policy and abortion and sterilization rates factored into national development planning?

The Chinese government has stated that family planning is an integral part of its development efforts but we do not know of any specific statement of the Chinese government that indicates the particular ways in which the one-child policy and abortion and sterilization rates are factored into national development planning.

Q. 3. As indicated in your letter, nearly \$4.7 million was used by UNFPA for Data Collection and Analysis in China during 1982-84.

What specifically was this money used for?

The funds paid for fellowships, consultancies, study tours, and equipment (including

computer software) to support Chinese census operations.

How is census data used in implementing the one-child policy?

We do not know of any specific statement of the Chinese government that indicates the role of census data in the implementation of its one-child policy. Census data collection and analysis that provide household measurements are useful in the general planning of family planning programs.

Q. 4. As indicated in your letter, \$1.7 million was used by UNFPA for Population Education, Communication and Information in China during 1982-84. Specifically, at least three population education, communication, and information projects have been funded by UNFPA according to the materials you sent.

a. What amount was spent on the national center for publicity and education in Beijing and the two subcenters in Shanghai and Chengdu?

Overall, \$3.4 million was spent on this area of assistance during 1982-84. Approximately \$1.2 million was for Beijing, about \$700,000 each for Shanghai and Chengdu, and the remainder for other assistance.

Were any other centers funded?

Assistance was also provided for 1,000 County centers and for the work of 60 mobile teams in the form of consultancies, study tours, fellowships, and audio-visual vehicles.

What films, video tapes, slides, audio tapes, posters, leaflets, and other materials were produced at these facilities?

We do not have a list of these materials. We will ask UNFPA to provide a list of the materials produced.

Are samples available?

We do not have samples of these materials. If, on examining the list you wish to examine any of these materials in greater detail, we can request the desired items from UNFPA.

What was the role of these materials in the propagation of the one-child policy?

We do not know of any specific statement of the Chinese government that indicates the role of these materials in propagating its one-child policy. Population education materials promote public awareness of the importance of family planning as well as an understanding of modern family planning methods.

b. What amount was spent on introducing population education into the curricula of in-service teacher training colleges and secondary schools?

\$400,000 was spent for this purpose during 1982-84.

What were the ten in-service training institutions and ten key middle schools which participated?

The ten in-service training institutions were: Beijing Teacher Training Institute (TTI), Shanghai TTI, Sichuan (Chengdu) TTI, Shanxi TTI, Henan TTI, Jiangsu (Nanjing) TTI, Changdang TTI, Hunan TTI, Hebei TTI, and Liaoning TTI. The ten middle schools were: Beijing MS #15, Shanghai Shixi MS, Sichuan Xiandu #8, Shanxi Weichui #1, Henan Zhengzhou Experimental MS, Jiangsu Yangzhou MS, Changdang Taian MS, Hunan Hengyang #6, Hebei Changlu MS, and Liaoning Hailu County Senior MS.

What population education textbooks were printed?

UNFPA funded consultant advice on the preparation of the books but did not include support for printing of the material. We do not have a list of these textbooks, but will request a list from UNFPA.

Are samples of such textbooks available?

AID does not have samples of the books. If, on examining the list you wish to examine certain books in greater detail, we can request copies of UNFPA.

What is the role of such population education in implementing the one-child policy?

We do not have a specific statement of the Chinese government that indicates the role of this population education in implementing the one-child policy. The population education program promotes awareness of the importance of family planning and information about government programs, including the rationale for the one-child policy and the government's view of the benefits of that policy.

c. What amount was spent on establishing the China Population Information Center?

\$800,000 was spent for this purpose during 1982-84.

What is its function?

The Center is designed to provide inquiry and referral services related to population research and to make available current information on population policies and programs.

How does it assist the Government?

The Center enables the Government to make better informed decisions on population matters.

What materials does it publish?

The Center publishes one English language periodical, the China Population Newsletter. We do not have a complete list of its publications, but we are requesting a list from UNFPA.

Are they available?

We are requesting issues of the Newsletter from UNFPA. If on examining the list of publications you wish to examine some items in greater detail, we will request copies of particular publications.

What foreign materials have been translated into Chinese?

UNFPA assistance does not fund the translation of foreign materials into Chinese. We do not know whether the Center is engaged in translation activities.

How does the Center help advance the one-child policy?

We do not have a specific statement of the Chinese government that indicates the role of the Center in advancing the one-child policy. The Center program provides improved knowledge of population literature produced in other countries.

Q. 5. As indicated in your letter, \$1.1 million was used by UNFPA for miscellaneous program support in China during 1982-84.

What specifically was this money used for?

The funds were used for support of UNFPA's local office, needs assessment and project formulation missions, and consultancies and study tours not elsewhere budgeted.

How many personnel are there in, and what are the activities of, the local UNFPA office?

The local office is staffed by a Deputy Country Representative, 4 senior program officers, and a small service staff. The local UNFPA office provides oversight of UNFPA-funded activities in China.

Please provide a job description for each position in the local UNFPA office.

We are requesting position descriptions for the professional staff from UNFPA.

Q. 6. Of the \$24.9 million in assistance which UNFPA provided China for 1982-84.

What amount was used for inputs to the China population program requiring foreign currency?

All of the UNFPA assistance was provided to fund inputs requiring foreign currency.

What such inputs were purchased, in what quantities, at what price, and from whom?

The inputs are those described above in response to questions 1-5. Quantities were determined by UNFPA's program agreement with China. All procurements were carried out by the Executing Agencies under the international procurement regulations of the United Nations.

What was the role of such inputs in implementing the one-child policy?

We do not have a specific statement of the Chinese government that indicates the role of each of these inputs in implementing the one-child policy. Their contribution to the Chinese population program varies as described under the responses above to questions 1-5.

Q. 7. In July 1983, UNFPA granted a prize of \$12,500 to Qian Xinzong, the head of the State Family Planning Commission, for "the most outstanding contribution to the awareness of population questions."

What was the source of the funds for this prize?

The funds for the United Nations Population Award are derived from a special trust fund, established by the United Nations for this purpose. The trust fund, which is administered by the Executive Director of UNFPA, is totally independent of funds contributed to UNFPA. Awards are made by an international selection board comprised of representatives of the national contributors to the special fund, the Secretary General, the Executive Director of UNFPA, and eminent individuals (fewer than the number of governmental representatives) selected by the award committee. The United States opposed the establishment of the award, did not contribute to the trust fund used for the award, is not a member of the selection board, and neither nominates nor endorses candidates for the award.

Could we have a copy of the official text which was used in making the award and other official comments and remarks?

The official text of the award is attached. We are requesting copies of official comments and remarks and will provide them when received.

Why was Qian Xinzong removed from his position as State Family Planning Commission head in December 1983?

The official Chinese explanation is that Qian Xinzong requested a change of post due to his age. He remains an adviser to the Commission.

Was there any dissent or dissatisfaction by the Chinese with his policies?

There have been reports of dissent and dissatisfaction with the one-child policy of the government, the policy with which Qian Xinzong was closely associated.

Q. 8. There have been reports that UNFPA has supplied computers valued at \$12 million to the State Family Planning Commission or other entities responsible for Chinese Population control.

What are the facts with respect to these reports?

In order to carry out its recent census, the Chinese asked UNFPA to fund 21 advanced IBM computers and peripheral equipment. This procurement was fully reviewed by the Departments of State, Commerce, and Defense and was approved by CoCom.

What are the computers used for?

UNFPA provided the computers to the State Statistical Bureau to enable the Chinese to process census data. The procurement agreement included safeguards against

the use of the computers for military purposes.

Are they used to help carry out the one-child policy?

We do not have a specific statement of the Chinese government that indicates the role of these computers or the role of the State Statistical Bureau in carrying out the one-child policy. The processing of demographic data provides information useful in the design of population programs.

Q. 9. Has UNFPA ever taken any steps to separate its activities in China from the coercive aspects of the Chinese population control program?

UNFPA has clearly and repeatedly stated its commitment to voluntarism in terms of the rights of couples and individuals stated in the International Declaration of Human Rights. Acceptance of this principle is a specific clause which UNFPA added to its policy guidelines and assistance agreements in July 1984. UNFPA restated this principle at the June 24-25 sessions of the 1985 UNDP Governing Council. With respect to China, UNFPA has assured the United States of its concern for reported violations of human rights and its discussion of these reports with Chinese officials. No UNFPA assistance directly supports any Chinese activity mentioned in reports of violations.

If so, what documentary evidence exists of such steps? If not, why not?

The assurances described above have been given in discussions with senior level U.S. officials, in UNFPA's revised policy guidelines, and in a letter of August 9, 1984, to former Ambassador Kirkpatrick. Documentation also takes the form of speeches and program statements on the basic principles of the International Declaration of Human Rights.

Q. 10. Has UNFPA ever made reports to donor governments, including the United States, concerning human rights abuses in China in connection with its population policies? If no such reports have been made, why not?

UNFPA has indicated its recognition of reports of human rights abuses in China and has assured the United States that its assistance does not support these abuses. UNFPA has also directed the attention of the Chinese Government to reports of human rights violations.

Q. 11. In your May 13 letter you referred to an AID review of UNFPA "expenditure reports and project descriptions and reports." Would you please provide us copies of all such reports and descriptions?

Copies of reports used in the AID review will be sent under separate cover.

Mr. HELMS. Mr. President, it is impossible to evaluate these answers fully and objectively without a thorough understanding of what was actually going on in China. Thus, with the preliminary facts in mind—the United States contributions to UNFPA, the UNFPA contributions to the Chinese program, and some of the details about how UNFPA assistance was used—let us take a close look at the Chinese program itself. For this purpose, I will put into the RECORD various accounts and reports that have been either made available to my office or published elsewhere.

The first item is the report by China expert, Dr. John S. Aird, formerly of the U.S. Bureau of the Census but now retired. Drawing chiefly from

Chinese sources, Dr. Aird shows unequivocally the ruthlessness and barbarity of the Chinese program.

The second item is a Washington Post series of January 7 and 8, 1985, by Michael Weisskopf, on the China situation.

The third item is a Wall Street Journal piece of May 13, 1985, by China expert Steve Mosher on the UNFPA connection.

Mr. President, I ask unanimous consent that these materials, including footnotes, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COERCION IN FAMILY PLANNING: CAUSES, METHODS, AND CONSEQUENCES

(By John S. Aird)*

SUMMARY

The undeniable effectiveness of the Chinese family planning program owes much to its coerciveness. From Chinese sources it is clear that many people comply because they have no choice. The Chinese authorities insist that strict control of population growth is essential not just for China's modernization but to assure adequate food, clothing, housing, health, and employment for the people. But limiting families to one child violates traditional family values still deeply entrenched. It also means that many parents will have no one to look after them in old age. They resist the policy by spreading rumors, removing IUDs without permission, destroying female infants in the hope of having a son, and direct hostile acts against family planning workers. Many cadres share the attitudes of the people and are reluctant to enforce the program.

To overcome this resistance, the authorities maintain extreme pressures both on the cadres and on couples of childbearing age. Cadres are penalized for failure to meet targets or for allowing couples to have unauthorized children. People who get pregnant without permission are lectured, harassed, publicly humiliated, fined, deprived of contract land, denied food, water, and electricity, and "mobilized" to have abortions. In the peak year of coerciveness, 1983, the central authorities ordered that all couples with two or more children be sterilized, all women with one child have IUDs inserted, and all unauthorized pregnancies be aborted. The escalation of coercion has not been steady. Periods of intensive coercion have alternated with periods of partial remission, when the central authorities disavowed coercive measures and blamed them on the local cadres. The case of Huiyang Prefecture, Guangdong Province, shows how coercive tactics approved by the central and provincial authorities can be represented in the media as examples of "patient and meticulous ideological work."

In communications addressed to foreigners, the Chinese central authorities insist that they disapprove of coercion and quickly put a stop to it wherever it is discovered. This claim has not deceived most foreign reporters in China but it has been widely ac-

cepted by representatives of organizations advocating control of population growth, who have lavishly praised the Chinese effort. In 1983, the United Nations gave one of its first population awards to the head of China's State Family Planning Commission, which the Chinese authorities cited as proof that the whole world approved and supported their program. The United Nations Fund for Population Activities has a continuing multi-million dollar program of assistance to China, including projects supporting family planning, despite a provision in its charter prohibiting aid for coercive family planning programs.

Some of the immediate consequences of reduced fertility in China are salutary, such as the easing of pressures on school enrollments and employment opportunities, but some of the long-range effects may be more problematical. Chinese demographers have expressed concern about the rapid aging of the population in the next century and the serious social security burden that is in prospect. Other Chinese are worried about a generation of pampered only children growing up to be willful, selfish, undisciplined, and ill-adapted to life under socialism. If the economic gains promised the people in return for surrendering a part of their parenthood fail to materialize, an undercurrent of disillusionment with profound political implications could result. The responsibility for coercion in the Chinese program rests not only with the Party leaders who directed the program and the Chinese demographers who rationalized it but also with the foreign agencies and individuals who applauded and encouraged it.

INTRODUCTION

Since the early 1970s, the People's Republic of China has been pursuing what has proved to be the most successful national family planning program the world has ever seen. Its effectiveness can be demonstrated beyond all doubt from the official population data. But exactly why the Chinese have been successful in an undertaking in which many other countries have made little headway is a matter of sharp dispute. Official spokesmen have attributed China's success mainly to persuasive propaganda and an efficient delivery system for family planning services. They tell foreign audiences that the people of China recognize the benefits of family limitation both to the state and to themselves, that they support the family planning program, and that they practice birth control voluntarily. However, the overwhelming weight of the evidence from within China makes it clear that the program is compulsory and that many people comply because they have no choice.

In foreign circles, the debate over whether or not the Chinese family planning program is coercive is mainly between representatives of the mass media, who have repeatedly drawn attention to its inhumane tactics, and the representatives of organizations advocating control of population growth, who frequently echo Chinese claims and sometimes add their own testimonials that the program is purely voluntary. A realistic appraisal of the Chinese program is important not only for China but also for international organizations offering family planning assistance and other developing countries that might consider following the Chinese example. For China the sudden demographic changes and the methods used to achieve them have economic, social, and political consequences that may cause acute distress in the future and could threaten the stability

*The interpretations and opinions presented in this chapter are those of the author and do not represent the views of the United States Government or the U.S. Bureau of the Census. To save space, extensive source citations contained in the original manuscript have been deleted from this version. The additional sources are available from the author on request.

ty of the government. International organizations that identify themselves closely with the Chinese program without regard to the fact that it violates their own principles about freedom of choice in contraception compromise their own credibility and may bring discredit on the cause of worldwide control of population growth. Countries that attempt to emulate the Chinese example without understanding what has really been happening in China risk a costly failure that could have severe political repercussions for them as well.

To understand the Chinese family planning program, it is necessary to inquire into the reasons why the Chinese leadership decided to impose it on their people, the extent of popular resistance, the tactics that have been used, the misrepresentations of the program by foreign apologists, and its possible future consequences for China.

CHINESE JUSTIFICATIONS.

Compulsory family planning is not the first unpopular program to be implemented in China, but unlike the collectivization-drive of the middle 1950s, the Big Leap Forward of the later 1950s, and the Cultural Revolution of the middle 1960s, the family planning program entailed government intervention in some of the most intimate aspects of family life and violated deeply rooted convictions that had been part of Chinese culture for thousands of years. Opposition has therefore been strong not only among workers and peasants but within the Chinese Communist Party and administrative system as well.

Ideologically inclined Party members have a double reason for their reluctance to support compulsory family planning. To orthodox Marxists, even to grant the need for controlling population growth in China was ideological heresy, tantamount to rejecting Marx in favor of Malthus.¹ At the founding of the PRC in 1949, Mao denied that population growth could cause problems for economic development and insisted that China's large population would be an asset because it meant abundant labor and labor was the source of all wealth. His confidence was apparently shaken by the results of the 1953 census, which showed a population 100 million larger than expected, and a tentative birth control program was started in 1956, mainly in the cities. Before it could achieve any results, Mao launched the Big Leap Forward under the illusion that political enthusiasm could unleash an enormous upsurge of productivity among China's workers and peasants, enabling the country to overtake the most advanced nations within a few years. Birth control was promptly abandoned. After the Big Leap Forward collapsed in a major famine in 1958-61 that caused some 30 million unnecessary deaths,² a second birth control campaign was launched in 1962. This continued until it was interrupted in 1966 by another political upheaval, the Cultural Revolution, before fertility levels in rural areas could be much affected. In 1969, after the ensuing turmoil was finally brought under control, family planning efforts were resumed and have continued with mounting intensity ever since.

Why did the Chinese leadership make family planning a matter of national policy and pursue it with increasing compulsion despite both cultural and ideological predispositions to the contrary? None of the reasons stated publicly during the first and

second birth control campaigns seem urgent enough to explain the priority assigned to the program. In the first campaign, the rationale was that birth control was for the health of mothers and children and to help China more quickly overcome poverty and backwardness. Privately, however, Mao had expressed deep concern in 1957 about the country's ability to feed a rapidly growing population, and the statistical fiction that grain production had doubled in 1958 conjured up by the Big Leap Forward suggests that concern about food was the main reason for the program. In the second campaign, the health argument was the most prominent; again, fears about food were not mentioned, perhaps because after the massive famine of 1958-61 food problems were too sensitive a matter for public discussion.³

When the third campaign began, economic arguments were more prominent, but food problems were still dismissed as of little concern. However, by 1978 it was acknowledged that arable land per capita had declined since the 1950s and that food grain per capita in 1977 was at the same level as in 1955.³ In 1979, it was revealed that food grain per capita had actually decreased since 1957,⁴ that food was short in some rural areas, and that for the country as a whole food was still "a big problem."⁵ From 1979 onward, the arguments for control of population growth became more explicit and urgent. It was said that population pressures had created problems in meeting the people's need for clothing, housing, transportation, education, medical care, and employment, and had contributed to environmental pollution, disturbed the ecological balance, and severely damaged the country's natural resources. Some parts of the country were said to be already overpopulated, and surplus labor complicated the problems of unemployment in the cities and underemployment in the rural areas and accounted in part for the low level of productivity of Chinese labor.

These arguments have a certain plausibility and closely resemble the arguments used by advocates of family planning in other developing countries. Few economists or demographers would question China's need to curb population growth; it is inconceivable that a country of one billion people needs more mouths and hands. But the critical questions are what degree of control is required by the national welfare, how quickly it must be attained, and at what cost to other popular values. Some Chinese sources imply that disaster is imminent unless absolute control is achieved in very short order. An "open letter" issued by the Party Central Committee in September 1980 contains one of the more moderate warnings:

"If the population is not brought under control within the next 20 or 30 years, . . . this will cause great difficulties for the four modernizations and create a grave situation in which there will be little hope of improving people's living standards."⁶

Other Chinese sources have gone much farther, arguing that if the population plan is not implemented all other plans will fail, that the "stability and unity of society" will be threatened,⁷ that China must control population growth strictly or not at all, that it is necessary to get to zero population growth as soon as possible, that the one child policy is the only choice for China, and that it is not the Party but "objective conditions" in the country that make it impossible to let people have more children.⁸

The argument that China has no choice but to implement the extreme family plan-

ning policies now in force has never been supported by substantial evidence or cogent reasons. In fact, the Party leaders have made other choices in the past, including a three child and a two child policy. They have also talked of reverting to the two child limit some time in the next century. They have often revised their targets and timetables. Even if the one child policy were prerequisite to keeping the population under 1.2 billion by the year 2000, or to achieving the four modernizations, or to quadrupling the gross national product by the end of the century, none of these goals is an absolute necessity to which the wishes of the people must be sacrificed. But the Party leaders have a tendency to represent their major programs as historical imperatives. They did so with land reform and collectivization in the 1950s, and when these programs encountered popular opposition and began to lag, they unleashed the full administrative power of the state to speed their implementation. In the case of family planning, the use of coercive means seems to derive not from demonstrable necessity but from the knowledge, based on past experience, that such means bring quick results.

Nevertheless, although the central authorities may not really believe that a demographic crisis is as imminent or as certain as the Chinese media sometimes claim, there is no question that the leaders regard control of population growth as essential to their plans for China's economic development. Unless they had been convinced of its importance, they would not have taken the unusual step of acknowledging that China's past failure to deal with population problems was a mistake for which the Party itself was to blame.⁹ In 1979, the Party made a gracious, though rather belated, apology to Prof. Ma Yinchu, former president of Beijing University, whom Party spokesmen had silenced with "merciless criticisms" when he tried to warn of the dangers of uncontrolled population growth in the late 1950s. Recently, some Chinese writers have made it clear that the main reason the Party failed to heed Ma's warnings was opposition from Mao Zedong.¹⁰ In effect, the Party leaders were admitting that because of the Party's past mistakes, population problems were more acute and more difficult to solve and valuable time had been lost. Only profound concern would have induced them to make this confession.

EVIDENCE OF POPULAR RESISTANCE

The coerciveness of the Chinese family planning program has resulted directly from the conflict between the Party's determination to restrict population growth and the resistance of the people to demands that they limit their families, especially to the extreme limitation demanded of them since the beginning of 1979. What proportion of Chinese couples in the childbearing ages comply with the requirements of the program voluntarily and what proportion continue to resist or surrender against their will cannot be determined exactly from the evidence available publicly, but there can be no doubt that both popular resistance and involuntary compliance are extensive.

Resistance among the people

Statements in the Chinese media about popular resistance and voluntary compliance seem at first glance to be completely contradictory. On the one hand, there are categorical assertions that birth control is "the demand of the masses," a "reflection of popular desires," "supported by the over-

Footnotes at end of article.

whelming majority," and "the wish of the people," but on the other hand it is conceded that the policy is not accepted by "all the people," that the masses do not consider it "something to adopt voluntarily," and that getting their cooperation is "a long term task." Many sources mention the persistence of traditional ideas that "having many sons brings happiness," that a son is needed to "carry on the family line," and that, especially for rural families, sons are essential for support in old age.

The explanation of the contradiction is that the Party leaders have always maintained as a matter of ideological precept that they act in the interests of the people and therefore their leadership expresses the will of the people. One purpose of this claim is to legitimize the authority of the leadership, but another is to deny that there could be extensive opposition to unpopular programs and thus to deny that coercive means are required or are being used to secure the compliance of the masses. In the case of family planning, popular opposition to the one child family has been widespread, strong, and remarkably resilient. It is clear that on this issue there is a profound conflict of interest between the needs and wishes of individual families and those of the Party and the state.

Overt resistance takes many different forms. One of the mildest is the circulation of rumors that the policy is about to be abandoned or the requirements eased. Such rumors were widespread in 1980, 1981, and 1984, evoking emphatic denials in the media. More aggressive are the instances of "sabotage" of family planning by people who organize popular resistance, "sow discord," "refuse to be controlled," and falsify certificates and records relating to birth control surgery. The type of "sabotage" most often mentioned in the Chinese press is the illegal removal of intrauterine devices by persons who operate outside the regular medical system.

"Illegal" IUD removals

The surreptitious removal of IUDs was evidently very widespread and was strongly denounced in the press in 1981 and 1983. For the most part, the people engaged in these activities, who were known as "hook wielders" or "hookers," were not medically trained, but some were herbalists, midwives, or regular medical personnel moonlighting for extra money. Lacking the right equipment, they used steel or lead wires, bicycle spokes, or bamboo strips to extract the IUDs, and as a result some women suffered infections, punctures of the uterus, or hemorrhages, sometimes leading to permanent injury or death. The numbers of cases cited in local sources justify official complaints that the "illegal" removals constituted a major rebellion against the family planning program. Yunnan Province reported 9,600 cases in just 6 counties during 1980, and in one Yunnan commune, of 2,100 women fitted with IUDs, 650 had been removed. In 1983, a Sichuan county reported that since 1980 more than 10,000 women had "stealthily removed their IUDs." Several brigade reports in 1981 indicated 80 percent and 100 percent removal rates. Obviously, women resorted to the "hookers" because the regular medical personnel would not take out IUDs on request. This implies that the retention, and probably also the insertion, of the IUDs was against their will. Evidently a high proportion of women with IUDs were willing to put their health and even lives at risk to have another child without permission from the authorities.

The resurgence of female infanticide

A still more extreme reaction to compulsory family planning, and especially to the one child limit, was the revival of female infanticide in China after 1979. The problem was first mentioned in the Chinese media in 1980, but at first the authorities showed no great concern about it. However, during 1982 their attitude changed. In November 1982, an article in the newspaper *China Youth Gazette* sounded an unmistakable cry of alarm, warning that if female infanticide were not stopped immediately it could cause a serious imbalance between the sexes, with the result that in 20 years' time "a large number of young men will be without spouses." The article called upon the whole of Chinese society to "save the baby girls."¹¹ Immediately a press campaign was launched to condemn female infanticide and the maltreatment of women who bore girl babies with the avowed intent of arousing public opinion.

The press described the problem as "serious," "grave," and "intolerable," and foresaw an "insoluble" and even an "unimaginable" problem in the future if the trend were not checked. Among the guilty were not just the masses but cadres and Party and Youth League members as well. According to media reports, unwanted female infants were suffocated, strangled, or drowned at birth, sometimes in a bucket of water placed beside the delivery bed, or they were later thrown down wells or into ponds, buried alive, or abandoned under bridges, in fields, by riversides, in railway stations, hospitals, or public toilets. Women who bore daughters were sometimes ostracized, abused, beaten, divorced, or driven to suicide.

Instances of female infanticide were said to be "frequent" and even "rampant" in some localities. Local figures were cited to show that a significant distortion of sex ratios among newborns was already occurring in some areas. According to one report, the sex ratio among newborns was 154 males per 100 females in a street in Wuhan Municipality and 503 in a Hubei village. Another cited brigade figures in which males accounted for 60 to 70 percent of all births, and a report from Guangdong Province said that in some brigades the ratio of male to female births was as high as 7 or 8 to 1! In such small units, random variation in the sex ratio at birth can be considerable, hence it is not clear to what extent the apparent imbalance reflected female infanticide, but a survey conducted by the Anhui Provincial Women's Federation disclosed a sex ratio at birth in one Anhui county of 139 in 1981; in several communes of that county the ratios were in the range from 165 to 175.¹² These figures imply that between 25 and 40 percent of the expected numbers of female infants were missing. According to the 1982 census, the sex ratio of births in Anhui Province in 1981 was higher than for any other province—112.45 males per 100 females, and the figures for the whole country implied a sex ratio at birth in 1981 of 108.47. If the actual sex ratio was around 106 male births per 100 female, as is normal for many Western and Asian populations, including the Chinese, some 230,000 female infants were not accounted for. Failure to report the births of girls who were still alive at the time of the census may be part of the explanation for the statistical imbalance, but one Chinese source says that the cause in Anhui was female infanticide.¹³ Several Chinese sources linked the infanticide problem with the one child policy.¹⁴

When the foreign press began to repeat what the Chinese media were saying about female infanticide and its connection with the one child policy, Chinese sources began to deny the seriousness of the problem. Cases of infanticide were said to be "few in number" and to "occur from time to time in a few places," and other statistical data, sometimes irrelevant to the issue, were cited to show that sex ratios in China were "normal" and in no danger of becoming unbalanced.¹⁵ Some Chinese sources denied any relationship between family planning and infanticide,¹⁶ and Quian Xinzhong argued that the one child policy had not caused infanticide in China because that was a problem that had existed long before,¹⁷ ignoring indications that infanticide had been in abeyance for 30 years and rebounded only when the one child policy was imposed. Although the Chinese press has not said much about the subject since the latter part of 1983, it is quite likely that the problem became more serious in 1982 and 1983, as the enforcement of the one child policy intensified.

Reprisals against family planning cadres

The most direct form of popular resistance to family planning demands was hostile actions against the family planning cadres. Some of the actions were relatively mild, such as refusing to be told what to do, being "obstinate," rebuffing the cadres with the "cold shoulder" treatment, or simply taking offense at their ministrations, yet tactics were enough to make many cadres hesitant about pushing the work, which they described as "the most difficult under heaven." Other forms of popular resistance were much less subtle. In the more extreme cases, the cadres were verbally abused, physically beaten, or killed, and their crops and property were "sabotaged."¹⁸ In 1982 it was reported that, in an experimental election of local magistrates in which more than one candidate for each office was permitted, none of those elected was a woman, because all of the women candidates had been identified with family planning work, which the people resented.¹⁹ It was necessary to provide the family planning cadres with special legal protection and to encourage them to be brave and continue their work in spite of the attacks on them.

Cadre resistance

The local cadres themselves sometimes ignored or actively resisted the family planning requirements imposed on them from above, a matter regarded by the central authorities as very serious, because if the local cadres did not enforce the policy, it made no progress. Some cadres simply did not understand the policy, did not think that the rate of population growth mattered very much, or regarded family planning as a "soft" task—less urgent than such "hard" tasks as attaining production quotas. Some were in disagreement with the policy, considered it too extreme, thought family planning work should attempt to eliminate third and higher birth orders but not hold everyone to just one child, wanted more latitude for permitting second births, or charged that the one child policy was a "leftist" idea. Some cadres simply paid no attention to family planning, adopted a laissez faire attitude, or responded to the demands from above with much talk but little action. Some were said to be sympathetic with the peasants' desires for more children and therefore neglected family planning.

Many cadres were unwilling to limit the size of their own families, despite the fact

that they were supposed to take the lead in order to set an example for the people. When leading cadres had additional children in violation of the policy, the masses used them as "shields" and followed suit. Hence the media repeatedly publicized individual cases of cadres who were severely punished for noncompliance with family planning requirements. Some were dismissed from their posts and expelled from the Party.²⁰

COERCIVE MEASURES

Because of the widespread resistance among both the cadres and the people, propaganda and persuasion alone could not bring about the sudden reduction in fertility needed to attain the announced target figures for population growth. Strong administrative pressures had to be exerted on leaders and functionaries of the Party and government at all levels and through them on the masses of the people. This was no simple matter. The Chinese administrative system is authoritarian, driven mainly by commands from the top, but it is also a bureaucracy. Its personnel at lower levels have their own purposes to serve which are not always consonant with those of the top leadership, and conflicts sometimes arise, especially in connection with the execution of unpopular policies like compulsory family planning, which place the cadres in a difficult position. To effectuate such policies, it is necessary to develop special incentives, disincentives, and monitoring systems to ensure implementation.

Pressures on the cadres

Initially, the central authorities tried to induce the lower levels to take action by issuing commands and directives. The language used was extremely aggressive and seemed to intimate that administrative power was to be used liberally to secure the compliance of the reluctant masses. In the middle 1970's, family planning instructions were called "battle directives," told the lower levels to treat family planning work as part of the "class struggle," called for "a complete dictatorship over the capitalist class" in which "bourgeois rights" were to be restricted, and referred to all opponents as "class enemies." Local cadres were to "grasp" family planning work "firmly," "tightly," "seriously," "vigorously," "fiercely," and "relentlessly." However difficult, population control was said to be "urgent," "imperative," "indispensable," and "an essential task." In 1978, local Party secretaries across the country were directed to take personal command of the work and mobilize the whole Party apparatus for the purpose. Having issued this order, the central authorities could hold the local Party leaders accountable if the work did not progress, and indeed they did. "Why is it," the *People's Daily* asked in 1981, "that the birth rates and natural population growth rates in some places have fallen below the general requirements while they are still high in other places? . . . The reasons lie in the leadership."²¹ The "requirements" were set by the central and provincial authorities, at first in the form of target natural increase rates and subsequently target birth rates and population totals, percentages of fertilizations, abortions rates, percentages of eligible couples contracepting, and other measures. Leaders of units that did not meet their targets could expect to be dressed down and humiliated at periodic family planning report meetings and occasionally in the provincial or the national press.

Still, responsibility during the 1970s tended to be rather diffused and hard to fix.

Sometimes the cadres were severely punished for their laxity, as, for example, when more than 100 Party and municipal officials in a Guizhou city who had failed to enforce birth control were required to undergo vasectomies or tubal ligations in May 1980, according to a Japanese report.²² The punishment of individual cadres who failed to set a good example by practicing family planning themselves may have disposed the cadres to be less lenient with the violators among the masses. But such cases were too scattered to have uniform effect throughout the administrative system. A major change in cadre accountability came in 1981, when the "cadre job responsibility system" was established, under which cadres were rewarded or punished according to how well they met their job requirements. For many cadres, family planning work was included in the periodic evaluations. In one locality, cadres who failed to prevent "unplanned" (i.e., unauthorized) births could lose up to 20 percent of their basic subsidy for the year.²³ In another, 10 percent of the year's bonus or wage supplement was deducted from the remuneration of basic level cadres for each "unplanned" birth in their commune, brigade, or production team.²⁴ In some places, cadres were assigned a certain number of households each and penalized if any of "their" households failed to practice family planning.²⁵ After the cadre responsibility system was set up, many localities reported that "the sense of responsibility of the cadres at all levels has been strengthened." Under such pressures as these, the cadres have only three choices if the people in their units will not comply voluntarily with family planning requirements: accept the penalties, falsify the reported data, or resort to coercion.

Pressures on the people

Long before the pressures on the cadres had been systematized to such a degree, some cadres had already been resorting to coercive measures. They found that propaganda was time-consuming and did not get the quick results demanded by their superiors and that a show of force was more effective. From time to time, the central authorities condemned the local expedients in what seemed to be deliberately obscure terms. They warned against relying on "compulsory orders," "indigenous policies," "bumpkin policies," "forcing everybody to do the same thing," "oversimplified and crude methods," doing things in a "crude and brutal manner," using "punitive methods," adopting "hard and rigid rules," imposing "administrative measures of a forcible type," and "resorting to coercion and commandism." Exactly what kinds of practices were condemned by these admonitions was not made clear in the public media, but the particulars were probably provided in directives not made public. Injunctions against "hard and fast rules," and "forcing everybody to do the same thing" are allusions to such practices as forcing all women to use IUDs even if they were successfully using contraceptive pills or forcing women with IUDs to submit to tubal ligations. "Indigenous" policies may refer to practices such as those condemned in a national newspaper in December 1978:

"Some localities popularizing birth control have dispatched 'militia propaganda teams' to those households that did not practice birth control to 'propagandize' and exercise control over their food, drinking water, and workpoints. These local laws have caused great dissatisfaction among the people."²⁶

However, the Chinese family planning authorities have shown no hesitation about approving and commending for emulation around the country some local tactics that would be recognized as coercive in most other parts of the world. One that has been widely used since the beginning of the current birth control campaign is the mass "mobilization" of the people to practice contraception, have IUDs inserted, or be aborted or sterilized. These are often carried out in connection with crash campaigns designed to "whip up a new upsurge" in family planning or to eliminate an anticipated upsurge in births. What sort of activities may be used to "mobilize" people is not made explicit in public sources, but they are obviously sufficiently forceful that the people caught up in the "mobilizations" have little chance of refusing what is demanded of them. This explains the occasional reports that people flee their homes before an impending "mobilization" and go into hiding.²⁷ The distinction between persuasion and "mobilization" was explained to a foreign visitor in 1981 by a local family planning worker as follows:

"Mobilization is different from persuasion. We persuade people to do this or that. But we mobilize people to do this or that when we fail to persuade them in spite of our efforts. Hopefully they will understand later."²⁸

Another approved coercive method is the so-called "heart-to-heart" talks between family planning cadres and couples who refuse to abort an unauthorized pregnancy or be sterilized, which may be repeated as many as 20 times until the couples give in. In a Hebei commune, couples who refused to sign a pledge not to have a second child were subjected to nightly visits by local officials, one of whom predicted flatly that "everybody is going to sign the pledge."²⁹ A Beijing teacher and her husband held out against the onslaught of uninvited visitors trying to "persuade" her to have an abortion, but after two months of harassments by as many as six visitors a day, the woman finally submitted to abortion in her fifth month of pregnancy. The tactics used by the visitors, according to the foreign reporter who obtained the story, is to "threaten, cajole, harass, educate, and plead . . . and, when all else fails, resort to coercion."³⁰

The imposition of severe economic penalties on couples that have unauthorized children also amounts to approved coercion. The penalties have been specified in a series of family planning regulations adopted by most of the provinces between 1979 and 1982.³¹ As different provinces issued their laws, the provisions got stiffer. The Anhui regulations passed in April 1979 provided that urban and rural couples that had a third child would lose five percent of their wages from two weeks after the birth until the child was 14; for a fourth child the penalty was 6 percent and for the fifth 7 percent, and so on. Shanghai deducted 10 percent from birth to age 16 and allowed no additional housing or private plots for additional children. Gansu made it 10 percent of a couple's income for an unauthorized second child from birth to age 10 and 15 percent for an unauthorized third child from birth to age 16. Shanxi added a one-time penalty of 20 percent of the family's annual wages for refusal to abort a second pregnancy and 30 percent for a third. To reinforce these regulations and family planning requirements in general, the central authorities included a new provision in the national constitution in 1982 stating that

"Both husband and wife have a duty to practice family planning."³²

As the production responsibility system spread throughout rural China in 1981 and peasants were authorized to become "wealthy" through their own enterprise, the economic penalties in the provincial family planning laws lost much of their deterrent power and the cadres found it difficult to keep track of who was pregnant and who was not. The peasants promptly began to have more children, since they could now afford to pay the penalties. The response of the central authorities was to raise the penalties, devise new enforcement mechanisms, and supplement these with "administrative" measures.³³

One of the new measures was the "double contract" system for rural families. When they received their land allotments under the "production responsibility system," they were obliged to sign a contract also to observe the family planning regulations. Those who had another child without permission could be required to increase their grain deliveries to the collective, sell more of their grain to the state, surrender their private plots or a portion of their "responsibility" plots, or they could be refused contracts, have their contracts "suspended," or be denied medical treatment rights and welfare funds.

In 1983, further measures were taken that made previous demands seem comparatively lenient. The central authorities directed that one of the partners in couples of child-bearing age with two or more children be sterilized, all women with one child have an IUD inserted, and all women pregnant without authorization have abortions. The third child was to be absolutely prohibited. Local authorities were to dispatch "propaganda" teams and "technical work" teams to see that these measures were carried out.³⁴

What is clear from the evidence is that the official definition of coercion has been largely confined to the use of physical force or raw political intimidation not camouflaged by efforts by "persuasion." More subtle forms of coercion that used such extreme economic, social, or psychological measures that the people could not resist were never disapproved. As long as the victims of such pressures walked to the clinics under their own power, their submission to family planning surgery was said to be voluntary. In fact, the large numbers of sterilizations, IUD insertions, and abortions that took place during the major mobilizations were sometimes cited as proof that the people accepted and supported the program!³⁵

ALTERNATING ESCALATIONS AND REMISSIONS

Official spokesmen sometimes insist, especially when speaking for foreign audiences, that they have always opposed coercion, that instances are few and attributable to excesses of local cadres, and that they are stopped as soon as detected.³⁶ This is at best a half truth. The official attitude toward coercion has been highly unstable. The definition has varied and the campaigns to quell coercion have been turned on and off almost year by year since the late 1970s. What the changes in policy strongly suggest is that the central authorities only oppose and disavow coercion when it backfires.

The 1978 anti-coercion campaign

Between May and December 1978, the central authorities carried out a general campaign against "coercion and commandism" in all aspects of administration, partly in an effort to redress some of the

grievous wrongs done to people during the Cultural Revolution and partly to discourage continuing abuses of power by lower level cadres. The campaign was ostensibly prompted by some extreme examples in a Shaanxi county, but similar abuses were said to "exist in some places throughout the country," and in August 1978 the *People's Daily* demanded "a big change" in the "work style" of the cadres.³⁷ As the campaign developed, one province after another acknowledged that the faults were to be found among its cadres also, but several provincial commentaries pointed out that not all of the blame for coercion and commandism should be laid on the lower level cadres.

One said that the problem was that the higher levels were sometimes unrealistic in their demands, adopted a coercion approach in dealings with lower levels, and put more emphasis on results than on "work style."³⁸ Another said that some local cadres "resort to coercion and commandism because the assigned tasks are arduous and urgent," for which, it added, "the authorities at higher levels must shoulder responsibility."³⁹ The *People's Daily* noted that when they are faced with difficult tasks and the higher levels demand that they "carry out instructions from the top whether you understand them or not," some cadres "resort to deception, coercion, and commandism and . . . beat and scold people . . . because they are not afraid to harm the interests of the people, . . . (but) are only afraid not to be able to win the trust of their superiors."⁴⁰ An earlier *People's Daily* article laid the blame for coercion squarely on the higher authorities:

"... Some (higher level) organs fail to make clear to the lower organs the bounds of a given policy and the work methods and work style required. They demand that the task be accomplished 'at all costs.' Whoever accomplishes the task, no matter what methods they use, are considered as 'capable.' They are commended and promoted. Such a way of doing things gives rise to empty talk, coercion, and commandism . . ."⁴¹

While the 1978 anti-coercion campaign was going on, there were warnings in the Chinese media against coercion in family planning and local leaders were told repeatedly that couples were not to be coerced into using contraceptives or having abortions by cutting their food rations or threatening political action against them.⁴² But the prohibition against using coercion apparently demoralized many of the cadres, so that they became passive and fearful of making "mistakes." In Shaanxi Province, the cadres were assured that "if mistakes are made, it is all right as long as they are corrected," and in Sichuan they were told that "mistakes are inevitable" in administrative work but that "the worst mistake is doing no work at all." By the end of the year, the authorities were ready to forgive a good deal of coercion to reactivate the cadres.

The escalation of 1979

In February 1978, before they had much grasp of demographic realities, the Party leaders had committed China to reducing natural increase to 10 per thousand population within three years,⁴³ but by early 1979 they were aware that the official vital data showed natural increase for the previous three years almost level at around 12 per thousand.⁴⁴ Provincial sources had for some time been reporting that the work was "uneven," that natural increase was not declining, and that target figures were not

being met. Early in 1979, the Party Central Committee issued a new policy calling on all couples to have "only one child if possible, two at the most, with a period of three or more years between them" and imposing "financial measures" on those having three or more, in order to get population growth down below one percent per year.⁴⁵ Provincial news items began to "vigorously advocate" one child per couple. By midyear, Vice-Premier Chen Muhua had announced the goal of bringing the national natural increase rate down to 10 per thousand in 1979 and to 5 per thousand by 1985,⁴⁶ which would have required an extreme escalation of family planning work.

As the pressures generated by the new policy mounted, concern about coercion vanished. Planned parenthood "pacts with the masses," "local laws," and other measures disapproved in 1978 as "indigenous policies" were once again approved. Sichuan Province, which had been told by the central authorities in 1978 that coercion in family planning must stop immediately, asserted in September 1979 that the 1978 criticisms had discouraged some cadres from "grasping" planned parenthood work and that an investigation had shown that, far from "overdoing things," Sichuan had not done enough.⁴⁷ Nationally, the target natural increase rates, the one child policy, the rewards and punishments prescribed in the provincial family planning laws, and the changed attitude toward coercion signalled that the authorities wanted quick results and were no longer concerned about "work style."

Reading the signals, the provinces again turned up the pressure. For example, when Guangdong Province discovered in July 1979 that if the provincial birth rate continued to the end of the year at the level of the first six months, the natural increase rate would reach 16 per thousand instead of the target figure of 10, all areas in the province were directed to require pregnant women to take "remedial measures," a standard Chinese euphemism for abortion, so that the target could be attained. They were told that "any policy that is advantageous to planned parenthood must be carried out." To reach the target, the local authorities would have had to abort 55 percent of the pregnancies that would otherwise have resulted in births before the end of the year, a total of about 340,000, all of them well beyond the first trimester. The order was not generally carried out, and, in the end, Guangdong's natural increase rate for 1979 was 16.96 per thousand, but in November the provincial authorities commended localities that had "taken remedial actions as requested by the province and overfulfilled the task," and called for further "remedial measures" to lower the birth rate before the end of the year, which would have meant abortions in the eighth or ninth month of pregnancy!⁴⁸

The anti-coercion campaign of 1980-81

The aggressive measures of 1979 apparently evoked strong negative reactions among the masses. The authorities responded with a second anti-coercion campaign in 1980 and the first half of 1981, limited this time to family planning work. It consisted of the usual warnings against "coercion and commandism," issuing compulsory orders, using simple and rigid methods, and problems in "work style," and called for more emphasis on "meticulous ideological work" and persuasion, being "fair and reasonable," and doing work in a "down-to-earth manner."

The cadres were told to avoid indiscriminate use of rewards and punishments and methods that are "divorced from the masses." One article warned that such "forcible" measures as refusing birth registration for second and higher parity children, denying them rations, and depriving their parents of employment could have outcomes "contrary to our wishes," and another said that "oversimplified and crude ways can only bring damage and destruction to our work."⁴⁹

Once again, some cadres read these warnings as a call to ease the pressures in birth control work, which promptly began a lag. Targets were not met, policies were not implemented, and "unplanned" births were still numerous. Rumors spread in some areas that the one child policy was about to be abandoned. Some cadres thought that according to the new official attitude enforcing the provincial family planning laws constituted coercion.⁵⁰ The relaxation of cadre efforts in 1980 was followed in 1981 by an upsurge in births in much of the country. The upsurge was also due in part to two changes in national policy which unintentionally dealt a setback to family planning. One was the passage of a new marriage law in September 1980, which raised the minimum ages for marriage by two years but also invalidated local administrative rules that had set much higher minimum ages in most of the country.⁵¹ The result was that three or four cohorts of young people became eligible to register for marriage at the same time and immediately rushed to do so. The authorities realized that the rash of marriages would soon be followed by a sharp increase in the numbers of first births.

The second policy change was the extension to most of rural China during 1981 of the "production responsibility system," under which the collective land was allocated on contract to individual peasant families, who were allowed to farm it on their own initiative, remanding an agreed proportion of their crops to the collective at the end of the year but retaining the rest to consume or sell on the free market at their own discretion. The intent was to arouse the peasants' "enthusiasm for production," which had admittedly been dampened during 20 years of collectivization. In this respect, the new policy has been quite successful, but it has also removed peasant families from the daily surveillance of the rural cadres, given the peasants greater wealth and independence, and encouraged many of them to consider having more children to add to the family labor force in the future. The cadres in some areas, frustrated at their loss of control over the situation, simply threw up their hands and stopped enforcing family planning requirements.⁵²

Foreseeing a deluge of births, the central authorities declared that population growth was "out of control" in many areas, that a new "baby boom" was imminent, and that a "population explosion" threatened to wipe out all the family planning gains of the 1970s. These prospects were described as "frightening," "disastrous," and "catastrophic." By the middle of 1981, concern over coercion had again been eclipsed by fears about population growth.

Escalation and confusion in 1981-82

Once again, the central authorities issued urgent orders to reactivate birth control work. In March 1982, the Party Central Committee and the State Council called for action to bring population growth under control,⁵⁴ and the *People's Daily* warned that if control were not restored in time, the

national population could exceed 1.3 billion by the end of the century, far beyond the target of under 1.2 billion.⁵⁵ In the same month, the central authorities also issued a directive calling on Party and government organs at lower levels to do "still better family planning work," urging them to "promptly study and tackle the new situation and new problems that have cropped up," and making the one child policy virtually universal. The directive stated flatly that "no one is allowed to have a third child, no matter what."⁵⁶

But developing new enforcement mechanisms took time, and meanwhile there was confusion at the local levels. While some units urged "rigorous enforcement," "necessary administrative interventions," "decisive and urgent measures," and "inflexible family planning work," which sounded like invitations to the local cadres to resume coercion, others revived the standard warnings against coercion. Some again resorted to "shock attacks" and "village rules and agreements," set up the "double contract" system, denied contract land and private plots to families with unauthorized births, and added "administrative disciplinary measures" to their economic penalties, but in others the work virtually ceased, family planning efforts were relaxed, no one was in charge of the work, and childbearing was in "a state of anarchy."

Meanwhile, with the help of China's newly established demographic research centers and their analyses of China's age structure, the central authorities became aware of another serious threat to their population targets. The enlarged cohorts of people born between 1962 and the early 1970s were about to enter the childbearing ages, continuing the upsurge of births caused by the new marriage law and the responsibility system. In November 1982, Qian Xinzong told a national family planning work conference that

"... Our country is now facing a new peak in population growth rates. . . . Only by maintaining the annual net increase in population at around 10 million for the next 18 years can we achieve the fighting goal of limiting the population to under 1.2 billion by the end of this century."⁵⁷

In the same month, State Counsellor Bo Yibo predicted that the next three years, 1983-85, would be a crucial period for family planning in China.⁵⁸ The official concern culminated in a new family planning drive more extreme than anything in prior human experience.

Mandatory birth control surgery in 1983

On December 6, 1982, a circular issued jointly by the State Family Planning Commission, the Party Central Committee Propaganda Department, and several other organizations announced that a national family planning "propaganda" month would begin on New Year's Day and last until after Spring Festival. It called for sterilization of couples with two children and the prompt abortion of unauthorized pregnancies.⁵⁹ After the start of the new year, it became clear that sterilization was the "key measure" under the new policy, and in March an unnamed "central leadership comrade" said that the success of the propaganda month must be affirmed and the effective measures continued. In May, a provincial source revealed that these measures had been approved by the Party Central Committee and the State Council.⁶⁰ Responsibility for them clearly rested with the highest authority in the land.

The reason for making sterilization the "key measure" was not just to eliminate third and higher parity births but because the threat of sterilization "spurred on the adoption of other birth control measures."⁶¹ How it did so was explained by the Vice-Governor of Guangdong Province, who said that "the basic purpose of (sterilization) is to absolutely prohibit married couples from bearing a second child,"⁶² implying that fear of being sterilized would suffice to make one child couples avoid further pregnancies. This stratagem clearly assumed that people did not want to be sterilized and could thus be intimidated by the certainty that if they had a second child they would be sterilized against their will. Of course, sterilization also had the advantage of eliminating any further need for "persuading" people, monitoring their pregnancy status, and "mobilizing" them for abortions. Once sterilized, their compliance was assured!

Accordingly, childbearing age couples with two or more children were designated as persons "who should be sterilized," and the provincial authorities estimated their numbers and made plans to complete the surgeries over the next several years.⁶⁴ Initial reports indicated a massive sterilization drive under way. Pleased with these results, the central authorities directed that "the success of the propaganda month must be fully affirmed and the effective measures carried out must be continued."⁶⁵ It was later reported that in 1983 alone 20.8 million sterilizations had been performed.⁶⁶

The mandatory sterilization, IUD insertion, and abortion policy of 1983, with its quotas and "high tides" was a violation of previous admonitions against "rigid rules," "crash jobs," and "forcing everybody to do the same thing," but in 1983 these were no longer part of what the central authorities chose to regard as coercion. In fact, in the domestic media of China in 1983, coercion was hardly mentioned.

Slight moderation and ambivalence in 1984

The human costs of the mandatory surgeries in 1983 may never be known in full, but the political costs must also have been significant. Although several provinces planned to stage another propaganda month in January 1984 to continue and even to intensify the sterilization drive, these plans were interrupted soon afterward by another change in policy. The first hint of a change was the fact that in December 1983 Qian Xinzong was removed without explanation from his post as head of the State Family Planning Commission.⁶⁷ At the end of January 1984, the new director, Wang Wei, said that family planning work must be "based on local conditions" and carried out "reasonably to win the support of the broad masses" and urged the cadres to find ways of doing family planning work effectively and at the same time "building a close relationship between the Party and the people."⁶⁸ The last phrase clearly indicated that, as in the past, the coercive measures of 1983 had caused such a negative popular reaction that they now had to be disavowed once more.

Provincial family planning leaders attending a 10-day conference in Beijing that concluded on March 7, 1984 were told that family planning measures should be "more realistic," supported by the masses, and easy for the cadres to carry out, that it was necessary to improve their "work style," and that they should "refrain from coercion" and "strictly forbid any illegal and disorder-

ly action." While the one child policy was still to be promoted, the circumstances under which couples could be allowed to have a second child were slightly enlarged, provided that the national, provincial, and local target population totals for the year 2000 were not exceeded,⁶⁹ which meant that very few second births could be permitted.⁷⁰ In May 1984, the family planning edition of the journal *Health Gazette* explained that family planning work was to be "subordinated to and serve the general tasks and goals of the Party,"⁷¹ and in June it warned against coercion, being "doctrinaire" about punishments, indiscriminate sterilizations, scheduling too many surgeries, and letting unqualified persons perform them, and forbade the setting of surgical quotas for lower levels.⁷² The excesses of 1983 were, as usual, ascribed to local "misunderstanding" of central policies, which the central authorities pretended had never changed.

Soon after the March conference, the new policy was spelled out in a directive referred to as "Party Central Committee Document No. 7," the text of which has not been made public. From exegeses given in the Chinese media, it is evident that the directive called for moderation and flexibility in implementing policies and avoidance of coercion to repair relations with the masses but at the same time demanded that the cadres maintain "a tight rein" on family planning, strengthen their leadership, and continue to fulfill the assigned targets. The mixed signals plunged the cadres into confusion, and in some places they reportedly lost faith in the resoluteness of the central authorities and stopped enforcing family planning requirements. Rumors began to circulate that the policy had changed and that all families were now allowed two children. In May, Wang Wei attempted to clarify the intent of Party Document No. 7, and throughout the summer and fall of 1984 warnings were issued against complacency, passivity, and laxness.⁷³ The 1983 policies on sterilization, IUD insertion, and abortion were reinstated, and, at least in some places, sterilization quotas were resumed.⁷⁴ This somewhat hardened line was still in force at the start of 1985.

The on-again-off-again anti-coercion campaigns and the alternate escalations and remissions in family planning demands make it quite clear that the central authorities approve and encourage the use of coercive methods and welcome the results gained through them but will not accept responsibility for them. The local cadres alone are held accountable for policy failures, whether due to excessive compulsion or not enough. Since the central authorities control the media at all levels, they can reinterpret policies and events to suit their own convenience. The local cadres seldom get to tell their side of the story.

THE CASE OF HUIYANG PREFECTURE

One of the few cases in which both the media version and the local side of a story are available for comparison occurred in 1981, thanks to the intervention of a Hong Kong newspaper. This case is extremely important as an indication not only of the accuracy of Chinese media coverage of politically sensitive matters but also of the credibility of official claims that coercion in family planning is not allowed. In the summer of that year, just as the second anti-coercion campaign was being terminated, the paper, *Contention Daily*, an enterprising offshoot of the journal *Contention*, began to receive letters from readers in Huiyang Prefecture, Guangdong Province,

complaining of "cruel struggles and heartless attacks" carried out in the prefecture's family planning drive. Like its parent journal, the newspaper supported Deng Xiaoping and circulated widely in Guangdong, where its reporters enjoyed ready access to cadres and people alike. Accordingly, the paper sent a reporter to Huiyang to investigate. The reporter learned that family planning work was directed by the acting prefectural Party secretary, Du Ruizhi, who had demanded at a meeting in late April that 47,000 women in the prefecture who had two or more children and were again pregnant be subjected to abortion in an all-out drive during May and June. Targets were assigned to all of the ten counties and municipalities in the prefecture. On May 26, Du made a speech calling for "total victory" and said that "although it was against the people's wishes" this was normal under the circumstances, that all methods of controlling population growth were correct, and that it did not matter if some "problems" occurred during the abortion drive because the Party would not hold the cadres responsible. Du promised that those who did a good job would be rewarded and assured them that the same methods were being used throughout the country.⁷⁵

In many communes in Dongguan County, where the campaign was waged most fiercely, the pregnant women were herded into "study classes," where they were not allowed to talk to one another or to rejoin their families and were surrounded by "work teams" who pressured them to have abortions regardless of the duration of pregnancy. Those who resisted were criticized in public meetings, harassed, and humiliated. It was alleged that vehicles were sent to the villages to round up the pregnant women and take them to the hospitals by force, creating a panic wherever they appeared. Individual respondents told of seeing women taken away in handcuffs, tied with ropes, or in cages used to transport hogs. In Huidong County it was said that arrest warrants were issued for some women on which the word "pregnant" was written in the space indicating the crime committed.⁷⁶ In urban areas, water and electricity were cut off for non-compliant households; in rural areas the electricity was cut off, the houses were sealed, and fines were imposed. In one commune of Dongguan County, roof tiles were removed, the children of the family were turned out of doors, and other families were warned not to feed them or they would be fined. In one instance, a pregnant school teacher fled to another community to save her second pregnancy, but her husband was arrested and confined in a "water dungeon" until she returned and submitted to an abortion. The Dongguan Party secretary was quoted as saying that the purpose was to see to it that "there is no road to heaven and no door into the earth" for the pregnant women to escape through.⁷⁷

Both the cadres and the masses were intimidated and dared not protest openly. Some of the cadres felt that the campaign was an example of "leftism," then under official interdict, a violation of human rights, Party discipline, and the laws of the state, and further strained relations between the Party and the masses. One cadre said that Du Ruizhi was "really like a mad dog that went around biting people."⁷⁸ The local public security organs reportedly refused to accept charges of law violation against Du's family planning cadres.⁷⁹

The Hong Kong reporter could not at first ascertain under what authority Du Ruizhi

was acting. The provincial newspaper, *Southern Daily*, seemed hesitant about reporting his activities, as though the provincial authorities were unsure of the official line, then in transition. At the end of May, Du went to Guangzhou to make a report, but instead of returning to Huiyang, he went to Beijing, apparently on his own initiative. When he next appeared in Huiyang, his manner was subdued, which led local cadres to suspect that his methods had been disapproved. By late July, it was rumored that Du would shortly be transferred back to a provincial organ, but people in Huiyang did not know whether this was a promotion or a demotion.⁸⁰

They were not long left in doubt. In late August 1981, the Guangdong provincial authorities announced a new family planning drive for September to mobilize pregnant women for abortion, convened an "on-the-spot" meeting in Huizhou Municipality to "study the experiences" of Huiyang Prefecture in "getting a good grasp of family planning work in the new situation," and commended the Huiyang leaders for what they accomplished in May and June, when they had shown "great determination, . . . made a big show of strength, . . . (and) carried out ideological education together with letting the policy play its authoritative part." They were also congratulated for having "displayed the Party's fine work style of serving the masses and doing a good job of planned parenthood work."⁸¹ Guangdong Governor Liu Tianfu concluded that "the experience was good and the achievement was great."⁸² All areas were called upon to "learn from the experiences of Huiyang."⁸³ In September, the Huiyang example was brought to national attention by a XINHUA reporter who cited Huiyang's spring abortion drive as proof of what could be done "through patient and meticulous ideological work among the masses."⁸⁴

With the high level approval of his tactics, Du Ruizhi also prospered. In November 1981, elevated to membership on the standing committee of the provincial Party committee, Du gave the summary speech at a provincial family planning meeting commending the Huiyang example, and in December he did the same at a meeting on family planning in Guangdong's cities.⁸⁵ In May 1983, Dongguan County was commended for its "excellent results" in family planning and for the fact that its "top people" took firm charge of the work and had "great determination and great momentum."⁸⁶ In August 1983, Du was in attendance at another provincial family planning meeting, in October he spoke at still another, and in May 1984 he addressed a provincial telephone conference and gave the closing speech at a "mobilization rally" introducing Party Document No. 7.⁸⁷

The central authorities could hardly have been unaware of the allegations made against Du in the Hong Kong newspaper. The provincial authorities were not; they made at least one attempt to explain away one of the Huiyang incidents as a public misunderstanding.⁸⁸ In what was obviously a centrally directed action, mainland Chinese trading firms suddenly withdrew their advertising from the Hong Kong paper causing it to collapse on August 1, 1981, just 44 days after its founding.⁸⁹

The Huiyang case shows how coercive practices can be upheld as examples of "patient and meticulous ideological work" and of "the Party's fine work style" by the Chinese media during periods when coercion has central approval. It also strongly sug-

gests that coercion is not merely a matter of local initiative but is actually the result of a correct reading of central intentions by local authorities. Moreover, the career of Du Ruizhi confirms what the *People's Daily* said in 1978 about the commendation and promotion of local cadres who accomplish centrally assigned tasks through coercive means.⁹⁰

FOREIGN VIEWS ON THE COERCION ISSUE

Surprisingly, the evidence from China has not had a decisive impact on foreign perceptions of the nature of the Chinese family planning program. One reason may be that the detailed evidence is scattered in obscure sources and not easily assembled and evaluated. Another is that the Chinese authorities have withheld important directives and other parts of the record that might tend to contradict the officials' claim that the program is voluntary. But perhaps the main reason why foreign descriptions of the Chinese program often ignore or downplay its coercive aspects is that for many foreign observers coercion in family planning poses a conflict of values that is not easily resolved. Many agree that China urgently needs to control its population growth but are also committed to humanitarian principles and ideas about human rights which coercion violates. Acceptance of the Chinese denials means that the inherent value conflict need not be faced.

Chinese statements for foreign consumption

For their part, the Chinese authorities do their best to see that their official story is made as acceptable as possible. Domestic communications about family planning in the Chinese media are often purposefully vague and euphemistic, but those addressed to foreign audiences are still more carefully worded and often contain what looks like calculated disinformation. Aside from the routine assertions that China's program is based on the voluntary cooperation of the people "under state guidance,"⁹¹ that it relies on education and persuasion, and that its success is due to "mass support and understanding," Chinese sources also insist that the state merely "advocates" or "urges" the adoption of birth control, that couples are "encouraged" to have only one child, and that sterilization is "provided free of charge."⁹² Punitive measures are rarely alluded to in statements for foreign audiences. Instead, foreigners are assured that "all this is done on the basis of respect for personal choice" and that population plans are "worked out through full discussion from the grass roots up to the central level and have been carried out by the masses on a voluntary basis,"⁹³ which amounts to a denial that targets and quotas are assigned from above.

In 1983, when mandatory sterilization, IUD insertion, and abortion were in full force, with sterilization as the key measure, Qian Xinzong maintained that sterilization was "voluntary," and other spokesmen said that it was "encouraged" or "recommended" but "never compulsory," that women were "advised" to use IUDs, and that "no operation can be done without the person's consent."⁹⁴ To persuade foreign audiences that the program was not coercive, Qian argued in 1983 that it could not have attained the success it had without mass support. How, he asked, could you coerce one billion people?⁹⁵ But as Qian well knew, it is not necessary to coerce a billion people to force compliance with family planning requirements; coercing couples in the childbearing years, less than 35 percent

of the population, would suffice. Yet he evidently expected that in some foreign circles the assumptions implicit in his rhetorical question would not be examined too closely. In February 1985, on a visit to the United States, Zhou Boping, Vice-Minister of the State Family Planning Commission, allegedly told various questioners, including members of the U.S. Congress, Congressional staff, and journalists, that China does not force women to have abortions, does not have late-term abortions, promotes contraception but not abortion, permits parents whose first child is a daughter to have a second child, and punishes officials who resort to coercion by removing them from office. All of these claims are contradicted by evidence from other Chinese sources.⁹⁶

The response of foreign observers

Chinese family planning propaganda directed at foreigners has had somewhat mixed success. It has not impressed foreign media personnel in China, most of whom are inclined from training and experience to discount cover stories and probe further, but it has been quite effective with some other people, notably those that advocate planned parenthood and the control of population growth, some of whom have even tried to take issue on China's behalf with the journalists. For example, when the *Wall Street Journal* editorialized in April 1984 that "by now the evidence about coercive birth control in China is overwhelming,"⁹⁷ a representative of a population control advocacy group responded by quoting Qian Xinzong to prove that the Chinese "will not tolerate coercive practices" and that family planning in China "must be voluntary."⁹⁸ In 1982, a representative of another such organization allegedly defended the Chinese program as a "very well organized and good motivational program with strong political commitment" and one that "the world should copy," and in November 1984 the same spokesman, on a visit to China, reportedly said that he had not detected any coercion during his tour and added that "China has shown to the world what can be done when people conscientiously tackle the problem."⁹⁹

Kind words have also been said about the Chinese family planning program by representatives of international organizations in the population field whose charters explicitly condemn the use of coercive measures. In 1981, Rafael M. Salas, Executive Director of the United Nations Fund for Population Activities (UNFPA), was quoted as saying that "China provides a superb example of integrating population programs with the national goals of development."¹⁰⁰ In April 1983, officials of the International Planned Parenthood Federation (IPPF) visiting China at the invitation of Qian Xinzong reportedly said that China's program was successful because "the masses have an understanding of family planning" and "it is the people's own choice." They also said that China's population policies were consistent with the goals of the IPPF and invited the Chinese Family Planning Association, then an associate member of the IPPF, to become a full member.¹⁰¹ In May, the UNFPA deputy in Beijing was quoted in an assertion that China's one child policy was "the only choice for a country with such a large population."¹⁰² In June, a deputy secretary general of the IPPF allegedly said that China's program had been approved by the people, who saw it as in their interests and practiced family planning willingly.¹⁰³ In November, the IPPF Members' Assembly meeting in Nairobi reaffirmed the organiza-

tion's commitment to voluntary informed choices about contraception and welcomed the Chinese Family Planning Association (and six others) to full membership.¹⁰⁴

Meanwhile, a number of organizations, both governmental and private, have become involved in activities broadly supportive of the Chinese family planning program. Most prominent among them is the UNFPA, which in June 1980 signed an agreement to provide \$50 million to China during 1980-85 to be used for various population-related activities, including the 1982 census, demographic training, and family planning. UNFPA assistance in family planning included support for the establishment of a population information center and a training center for family planning workers.¹⁰⁵ When it became generally known outside China in the spring of 1983 that the Chinese leaders had embarked on a program of compulsory sterilization, IUD insertion, and abortion as a matter of national policy, the UNFPA was temporarily alarmed. Questioned by the *Washington Post* Beijing correspondent, United Nations officials who coordinated projects there said they were investigating whether the new policy violated United Nations principles. One was quoted as saying that "if there is a very explicit regulation that all couples with a second child must be sterilized, it could cause serious problems for the United Nations. . . . Compulsion in these matters is not acceptable."¹⁰⁶ Whatever the outcome of the investigation, the UNFPA projects continued. In February 1984, the UNFPA announced that it would provide another \$50 million in assistance in China in 1985-89,¹⁰⁷ and in April Mr. Salas was quoted in a denial that the UNFPA has any evidence that its program in China supports coercive measures.¹⁰⁸

But of all the foreign encouragements for the Chinese family planning program, none was more important symbolically than the United Nations population award conferred on Qian Xinzong in 1983. In March it was disclosed that an award committee consisting of representatives from ten United Nations member countries, including China, had decided to honor Qian and Indian Prime Minister Indira Gandhi with the first of the newly instituted annual population awards.¹⁰⁹ This action caused consternation among some advocates of population control in other countries, who thought the selections ill-advised in view of the fact that China and India had the dubious distinction of being the only two countries in the world to attempt coercive family planning programs. The two awardees were both in positions of responsibility while the attempts were being made. However, no public demur was heard except from one of the five members of an advisory group chosen to assist the awards committee. In a letter to Mr. Salas, the Nobel laureate economist, Prof. Theodore W. Schultz, of the University of Chicago, denounced the committee's decision as a "travesty" and told the UNFPA to remove his name from any materials involving the awards. Schultz charged that the Chinese policies were responsible for the high rate of female infanticide in China.¹⁰⁹ The awards were formally presented in New York in September 1983 by United Nations Secretary-General Javier Perez de Cuellar, who expressed "deep appreciation" for the way in which the Chinese and Indian governments had "marshalled the resources necessary to implement population policies on a massive scale."¹¹⁰

The Chinese authorities were at least equally appreciative of the award, which

they interpreted as "evidence of worldwide concern and support" for their family planning program. Qian Xinzong expressed his gratitude not only to the United Nations but also to other international organizations and friends who "support China's effort." The evidence of international approbation was useful in discouraging domestic criticism of the program because it seemed to show that responsible world opinion sided with the Chinese government on this issue. It was also useful in Chinese counterattacks against foreign critics, whose allegations that the program was coercive were denounced as "slander" and "distortion."¹¹¹

The coercion issue again received international attention in the spring and summer of 1984, when a U.S. Senate subcommittee heard testimony on the matter and the House of Representatives debated whether U.S. contributions to the UNFPA and the IPPF were being used to support the Chinese program. Public discussion at that time was not well informed about the nature of the program and tended to focus on the one aspect that was of high political salience in the United States—compulsory abortion—although for Chinese families compulsory sterilization would probably be regarded as much more devastating. The policy issue was ultimately narrowed to the question of whether funds contributed by the United States were being used to pay for abortions, which the UNFPA could plausibly deny.¹¹² It did not deal with the much larger question of whether it was possible to support any aspect of the Chinese program without seeming to endorse all of it. As a result, the position of the United States as put forward at the International Population Conference in Mexico City in August 1984 would have little bearing on coercion in the Chinese family planning program, although it might hamper the IPPF in providing help for voluntary abortions in other countries.¹¹³

However, in February 1985, after the publication in January in the *Washington Post* of three articles by its Beijing correspondent, Michael Weisskopf, describing in detail coercive family planning practices in China, the U.S. Agency for International Development (AID) announced that it had decided to postpone the allocation of \$23 million to the UNFPA pending a careful review of the UNFPA program.¹¹⁴ Also in February, the UNFPA prepared a "briefing note" in the response to an AID enquiry in which it claimed that the Chinese government only advocates but does not require compliance with the one child limit, that couples who wish a second or even a third child can have them, that in many rural areas couples whose first child is a girl can now have a second, that the acceptance of the one child limit "can only be on a voluntary basis," and that the government has repeatedly indicated to the people of China that "coercion is under no circumstances permitted."¹¹⁵ All of these allegations are either incorrect or misleading, as the preponderant evidence from Chinese sources makes clear. After a review of the evidence, AID announced at the end of March that it will withhold \$10 million of the \$46 million previously appropriated by the Congress for the UNFPA, an amount equivalent to the amount the UNFPA spends on China each year.¹¹⁶

Whether the Chinese leaders would make a more sincere effort to curb coercion in their family planning program if the rest of the world showed more sincerity in condemning it is not certain. Several Chinese spokesmen at the Mexico City conference insisted that any foreign attempt to make

China change its population policies would be viewed as a violation of China's sovereignty, thus, in effect, declaring population policy out of bounds for international human rights interventions.¹¹⁷ Despite such statements, the Chinese authorities obviously want foreign approval of their family planning program and are sensitive to foreign criticism, but they may feel that they need not take the criticism seriously so long as prestigious organizations in the population field, such as the UNFPA and the IPPF, continue to laud their success without an adequate examination of the means by which it was attained.¹¹⁸

THE CONSEQUENCES OF SUDDEN FERTILITY REDUCTION

The speedy reduction of fertility in China achieved through compulsory family planning measures has already begun to ameliorate some aspects of population pressure, but it may not in the long run prove an un-mixed blessing. As with other extreme policies imposed on the Chinese people without careful consideration of the long-range effects, the Party leaders have been reluctant to entertain publicly the possibility of adverse outcomes and tend to suppress criticism by declaring that the policy is "correct," wise, and well suited to China's current needs. As a result, the leaders are often slow to recognize that a policy is not working well unless a crisis ensues or there is a change of leadership.

Among the major examples of Party policies that provide disastrous for reasons that might have been foreseen, the briefest was the Big Leap Forward, but mainly because, despite Mao's effort to silence its critics, the policy precipitated a famine so severe that it could not be ignored. The collectivization of agriculture in 1955-56 seriously damaged peasant morale and "enthusiasm for production" for over 20 years, until a new leadership under Deng Xiaoping replaced it with the "production responsibility system" and the policy of letting peasants become "wealthy" through their own efforts. This seems to have solved the problem of motivation, but at the cost of disrupting successful collective undertakings, the rural health system, and the rural family planning efforts. In both these cases, the modification of the mistaken policies brought an immediate remission of some of the worst effects, but even an instant change in family planning policies would not erase the marks already imprinted on the Chinese age-sex structure by the policies of the mid-1970s and early 1980s, which will be visible for the next 80 years or so and may have echoes and reverberations that last longer still. Chinese demographers have pointed out that demographic trends have an inertial property. They have also made population projections showing the effects of current policies on age composition in China during the next century. But, until late in 1983, their published writings tended to discount the possibility that age composition could be a cause of problems in the future.

In 1980, when a reaction set in against the coerciveness of the newly instituted one child policy, Chinese sources said that "some comrades" were worried that the policy could lead to the excessive aging of the population, to shortages of workers and military recruits, to an imbalance of the sexes, and to heavy welfare burdens for the state. Among the people there were fears that after three generations of the one child policy, the age structure of the Chinese family would follow a "4-2-1" pattern—four grandparents and one child supported by

two working parents. The writers of press articles insisted that these fears were unfounded, that the problems would not arise soon, and that there would be plenty of time to deal with them later on. In 1982, a demographer expressed concern about the effects of the one child policy on family structure, parent-child relations, family income and expenditures, social customs, moral concepts, and mass psychology. Many of the problems, he said, had not been studied yet, and he warned that history had a way of inflicting "punishments" on those who carried out unwise policies "blindly and subjectively."¹¹⁷ In the same year, China sent a delegation to a United Nations conference on aging to find out how other countries were coping with the problem,¹¹⁸ but still the official attitude as expressed in the press was that China would be able to solve its own aging problem in good time.¹¹⁹

In August 1983, one Chinese writer suggested that sudden changes in population growth rates could cause difficulties and that the low target population total set for the country for the year 2000 had its drawbacks. He added that the one child policy could mean that in 40 years' time some elderly couples would have no one to care for them and that it would be difficult to get only children to accept military service or work assignments far from home.¹²⁰ In November, a Chinese demographer said that the aging of China's population would be the "fastest in history"^{120a} and that China should begin at once to plan how it would support the increasing numbers of elderly persons. He suggested that it was time to consider adjusting the family planning program to keep the problem from becoming too serious.¹²¹ In August 1984, when the central authorities were again worried about a relaxation of local family planning efforts, the same demographer altered his position somewhat, arguing that it would be "highly inappropriate" to overemphasize the problems of aging, as "some people" were doing, and "relax population control right now."¹²² Other writers echoed the official position that the problem was under study and would surely be solved.¹²³

One reason for the apparent lack of concern about the aging of the population may be the fact that many of the benefits to the state from a sudden reduction in fertility are relatively immediate whereas the adverse consequences are mostly long-term. The declining birth rates of the 1970s have already eased the state's burden in providing childcare, consumer goods for children, and primary schooling in much of the country. By about 1989, the size of cohorts entering the labor force will diminish sharply, reducing the oversupply of rural labor and the numbers of urban young people "waiting for employment." Shortly after that, the demands for housing for newly married couples should also ease considerably. Under any projection that is based on the 1982 census age-sex structure and is carried forward according to fertility assumptions reflecting current official policies and plans, the proportion of the population in the working ages will increase until about the year 2010, when it will account for some 65 percent of the total population. But the proportion of the population aged 65 and over will rise steadily from now on and very rapidly after 2010, reaching 25 percent by the year 2040 if present fertility restrictions are continued to the end of this century. Whether the Chinese economy can solve the problem of providing financial security for so many retirees even if the goals of

modernization have been achieved by then is problematical, and there can be no assurance that the goals will be achieved on schedule even if the plan for future population growth is fully realized. The rate of population growth has not been the only deterrent to China's economic development in the last 30 years, which has made gains in spite of the near doubling of the population. Other major obstacles pointed out by Chinese economists include overcentralized control of the economy and unrealistic planning and management, which are implicit in the Chinese administrative system and will continue to hamper development whatever is done about population. If more developed economies sometimes have difficulty sustaining established social security systems when the number of beneficiaries is increasing more rapidly than the number of contributors, it is likely that China will encounter even greater difficulties in setting up an adequate system de novo under much more unfavorable demographic circumstances.

The social and political consequences of the sudden reduction in fertility are still harder to predict and may also be more difficult to resolve. Care for the elderly is not just a matter of providing food, clothing, shelter, and burial expenses; the need for health care will rise even more rapidly than the numbers of the elderly themselves, as will the need for such daily ministrations as were formerly tendered by family members at no cost to the state. Since the full impact of lower birth rates on these arrangements cannot easily be anticipated, there is no basis for the confident assurances by the Party leaders that all such matters can be taken care of later.

The most profound and incalculable effects of the family planning program may be those that result from changes in family structure and in child rearing practices. Articles in the Chinese media have expressed concern about the personality and character of only children, doted on by parents and grandparents and treated by the state as privileged individuals in regard to health care, education, and employment opportunities. Some reports suggest that they are becoming spoiled, self-centered, inclined to immediate gratification, willful, disrespectful toward authority—in short, exactly the kind of people least adapted to life under a political system that emphasizes obedience and orthodoxy. There is also some danger of political disaffection among the generation of their parents, many of whom lost their opportunities for secondary and higher education during the Cultural Revolution, are now deprived of some of the satisfactions of parenthood by the family planning program, and face the prospect of neglect in their old age.

The disaffection may be all the more acute if the rewards of economic development seem insufficient to justify the deprivations imposed on the Chinese people. After all, they have had little voice in the national policy decisions that have affected their lives. Had they been consulted about population policy, many might have chosen to forego some of the "modernization" their leaders have planned for them in order to have more children. More than in many other countries, an important element in the quality of life for the people of China is the gratification afforded by family life and the rearing of children, which have been high on the Chinese scale of values for thousands of years. In the last analysis, the costs of the Chinese experiment with coercive family planning may prove rather high.

Is so, the burden of responsibility will rest not just with the Party leaders who ordered and directed it and the Chinese demographers who rationalized and promoted it but also with the foreign population control advocates who applauded it and identified its goals with their own.

FOOTNOTES

¹ The eighteenth century British economist, Thomas Robert Malthus, argued that population tended to outgrow the means of subsistence unless checked by war, famine, or pestilence. Marx vehemently denounced Malthus but failed to develop a population theory of his own. Many years later Marxists assumed that population growth was a sign of national prosperity and denied that socialist countries would ever need birth control.

² The actual magnitude of the losses can only be estimated, but most estimates are around 30 million. See the interview with Judith Banister reported in Stephens Broening, "The Death of 30 Million Chinese," *The Baltimore Sun*, April 26, 1984, p. A19; Ansley J. Coale, "Rapid Population Change in China," 1952-1982, Committee on Population and Demography, Report No. 27, National Academy Press, Washington, D.C., 1984, pp. 68-70; and Basil Ashton, Kenneth Hill, Alan Piazza, and Robin Zeitz, "Famine in China, 1958-61," *Population and Development Review*, Vol. 10, No. 4, December 1984, p. 614.

³ For a discussion of the rationale used in the first and second birth control campaigns, see John S. Aird, "Population Policy and Demographic Prospects in the People's Republic of China," in Joint Economic Committee, Congress of the United States, "People's Republic of China: An Economic Assessment," U.S. Government Printing Office, Washington, D.C., 1972, pp. 225-244 and 275-294.

⁴ By Hu Qiaomu, president of the Chinese Academy of Social Sciences, in an article entitled "Act in Accordance with Economic Laws: Step Up the Four Modernizations," published in *Renmin Ribao* (People's Daily) (RMRB), October 6, 1978, XINHUA, Beijing, October 5, 1978, Foreign Broadcast Information Service (FBIS), No. 197, October 11, 1978, p. E17.

⁵ Luo Weixiong, "The Current State of Chinese Agriculture and Our Historical Experience in Developing Agriculture," excerpts cited by Beijing radio, Domestic Service, February 14, 1979, FBIS, No. 34, February 16, 1979, p. E12.

⁶ Commentator, "It Is a Major Task to Do a Good Job of Summer Grain Procurement," *Haikou radio*, Hainan Island Regional Service, May 22, 1979, FBIS, No. 102, May 24, 1979, p. P1.

⁷ XINHUA, Beijing, September 25, 1980, FBIS, No. 189, September 26, 1980, p. L2.

⁸ The statement about the stability and unity of society is from the eminent Chinese demographer Wu Cangping. See "Some Population Problems that Should Be Deliberated at an Early Date," *Shijie jingji daobao* (World Economic Report) (SJJJDB), Shanghai, No. 165, December 12, 1983, FBIS, No. 8, January 12, 1984, p. K4.

⁹ The statement that the one child policy is the only choice for China was made first by Prof. Liu Zheng, Director of the Population Research Institute, Chinese People's University, Beijing, in "Laogu shuili yu jihua knogzhi renkou zangzhang de chanliu zixiang" ("Firmly Establish the Strategic Ideology of Planned Control of Population Growth"), RMRB, February 5, 1980, p. 5. It was repeated by Wu Cangping in "Tigao jihua shengyu xuanchuan de kexuexing" ("Raise the Scientific Nature of the Propaganda on Family Planning"), RMRB, April 1, 1983, p. 5. The last statement is from "Give Priority to Propaganda and Education in the Work of Family Planning," RMRB, September 29, 1981, FBIS, No. 192, October 5, 1981, p. K6.

¹⁰ In 1982 Qian Xinhong said that "the Party is very much at fault" in not coming to grips earlier with the population problem and that this was one of the reasons why it was now so difficult to eliminate poverty and backwardness in China. See "Quanguo jihua shengyu bangongshi zhuren peixunban jiejue Qian Xinhong qiangdiao bixu zhuanjin jiejue renkou wenti" ("Training for the Directors of Family Planning Offices in the Country Concluded; Qian Xinhong Emphasizes That Close Attention Must Be Given to Solving the Population Problem"), *Xinhua ribao* (New China Daily) (XHRB), Nanjing, May 28, 1982, p. 3.

¹¹ For example, at a discussion meeting in 1979 convened by the State Council's Birth Planning Office, "some comrades" noted that the attack on

Ma's population theory was based on the idea that more people meant "more views and enthusiasm," obviously a reference to Mao's 1958 statement that "The more people, the more views and suggestions, and the more intense the fervor and the greater the energy." For the comments of the "comrades," see XINHUA, Beijing, June 8, 1979, FBIS, No. 115, June 13, 1979, p. L16. In 1982, Bo Yibo, in a speech to a national family planning conference, noted that in the 1950s Ma, Shao Lizi, and Zhou Enlai all favored birth control, but, "after the appearance of the saying that 'a large population is a good thing,' all people believed it blindly." This is a reference to Mao's September 1949 declaration that "It is a very good thing that China has a big population," which was quoted throughout the 1950's, even while family planning was being promoted. For Bo's speech, see Bo Yibo, "Kongzhi renkou yao tong shixian fan liangfan de zhanlue mubiao tong bu jinxing" ("Population Control Must March in Step with the Strategic Target of Quadrupling Output"), *Jiankang bao* (Health Gazette) (JKB), November 28, 1982, pp. 1-2.

¹² "Jiuli nuying" ("Save the Baby Girls"), *Zhongguo gingnian bao* (China Youth Gazette), November 9, 1982, p. 3.

¹³ Investigation Conducted by Anhui Provincial Women's Federation Shows the Seriousness of the Situation of Drowning Baby Girls in Rural Areas and the Resulting Disproportion Between Male and Female Babies," RMRB, April 7, 1983, FBIS, No. 68, April 7, 1983, pp. K5-6.

¹⁴ Zhang Wansong et al., "Yinger xingbili shitiao yao qieshi jiu zheng" ("Effective Steps Must Be Taken Against the Disproportion in the Sex Ratio at Birth"), *Shehui* (Society), April 20, 1983, p. 29.

¹⁵ "Sex discrimination incompatible with socialist principles," *China Daily* (CD), March 2, 1983, p. 4; and Zou Ping, "Guanyu Beijingshi chusheng yinger xingbiebi de diaocha" ("A Survey of the Sex Ratio at Birth of Beijing Municipality"), *Renkou yanjiu* (Population Research), No. 4, July 29, 1983, p. 36.

¹⁶ XINHUA-English, Beijing, April 15, 1983, FBIS, No. 75, April 18, 1983, p. K8; Beijing radio, Domestic Service, April 18, 1983, FBIS, No. 78, April 21, 1983, p. K7; and "Rudongxian renkou shengyulu chouyang diaocha zhengming jihua shengyu bu dao zhi xingbiebi shitiao" ("Sample Fertility Survey Carried Out in Rudong County Shows that Family Planning Does Not Lead to Imbalance in the Sex Ratio"), JKB, May 19, 1983, p. 1.

¹⁷ For example, an article in the *Journal Health Gazette* asserted that "there is no inevitable link" between female infanticide and family planning. See Commentator, "Zhongguo renmin de jihua shengyu gongzuo burong waiqu" ("Distortions About the Family Planning Work of the Chinese People Are Not Allowed"), JKB, May 5, 1983, p. 1.

¹⁸ XINHUA-English, Beijing, September 23, 1983, FBIS, No. 188, September 27, 1983, p. K9.

¹⁹ "Sheng jihua shengyu bangongshi jiu dangqian cunzai de wenti tichu cuoshi" ("The Hebei Provincial Family Planning Office Proposes Measures in View of Current Problems"), *Hebei ribao* (Hebei Daily), Shijiazhuang, September 28, 1981, p. 1; Song Youtian, "Guanyu jihua shengyu gongzuo qingkuang de baogao" ("Report on Family Planning Work"), *Shaanxi ribao* (Shaanxi Daily), Xian, March 9, 1982, p. 3; "Cheng Shuyan xuanchuan jihua shengyu jiazhong bei za" ("The Home of Cheng Shuyan Was Smashed for Publicizing Family Planning"), *Liaoning ribao* (Liaoning Daily) (LNRB), Shenyang, January 11, 1983, p. 1; Chengdu radio, Sichuan Provincial Service, January 15, 1983, Joint Publications Research Service (JPRS), No. 82,842, February 10, 1983, p. 178; and Michael Weisskopf, "Abortion Tears at Fabric of China's Society," *The Washington Post*, January 7, 1985, p. A20.

²⁰ "Birthrate called bigger challenge than quadrupling," CD, December 2, 1982, p. 3.

²¹ In 1980, a Tianjin news item said that there were some Party members and cadres who had openly expressed the feeling that they would "rather give up Party membership than not have a son." See Commentator, "Dangyuan ganbu yao zuo jihua shengyu de daitouren" ("Party Members and Cadres Must Be the Leaders in Practicing Family Planning"), *Tianjin ribao* (Tianjin Daily), Tianjin, February 13, 1980, p. 1. Some have actually paid the penalty. See for example Guangzhou radio, Guangdong Provincial Service, January 29, 1982, JPRS, No. 80,051, February 8, 1982, pp. 59-60; and "Zhao Wenru ju bu jihua shengyu bei kaichu dangji" ("Zhao Wenru Refuses to Practice Family

Planning and Is Expelled from the Party"), RMRB, January 28, 1983, p. 4.

²¹ "Sustained Efforts Are Needed in Planned Parenthood Work," RMRB, January 27, 1981, FBIS, No. 28, February 11, 1981, p. L19.

²² KYODO, Beijing, June 25, 1980, FBIS, No. 126, June 27, 1980, p. Q1.

²³ Yang Zhonghao, "Guanghan, Xinduxian shixing ganbu gangwei zerenzhi de diaocha" ("An Investigation of the Implementation of the Tentative Cadre Job Responsibility System in Guanghan and Xidu Counties"), Jingji guanli (Economic Management), No. 4, April 15, 1982, pp. 76-79.

²⁴ "Gaozhan gongshe shixing 'sanguagou' jihu shengyu chuxian xin jumian" ("Gaozhan Commune's Family Planning Has a New Breakthrough After Practicing the 'Three-Hook-Up'"), Sichuan ribao (Sichuan Daily) (SCRB), Chengdu, April 24, 1982, p. 1.

²⁵ "Defengxian quanmian jianli renkou shengchan zerenzhi" ("Dafeng County Establishes Population and Production Responsibility Systems"), XHRB, June 19, 1982, p. 4; "Qidingshan gongshe jianli jihu shengyu zerenzhi" ("Qidingshan Commune Establishes a Family Planning Responsibility System"), LNRB, January 3, 1983, p. 1; and "Jiuyouguan nongcun jihu shengyu wenti da duzhe wen" ("Questions and Answers on the Problems of Rural Family Planning"), LNRB, January 6, 1983, p. 3.

²⁶ "Some Current Problems in Drafting Laws," Guangming ribao (Guangming Daily) (GMRB), December 22, 1978, FBIS, No. 3, January 4, 1979, p. E7. This item also implies that Chinese references to "propaganda" may cover actions that are actually coercive.

²⁷ Changsha radio, Hunan Provincial Service, September 23, 1979, FBIS, No. 188, September 26, 1979, pp. P2-3; and Michael Weisskopf, loc. cit.

²⁸ Quoted in Pi-chao Chen, Rural Health and Birth Planning in China, International Fertility Research Program, Research Triangle Park, North Carolina, 1981, p. 44.

²⁹ Jay Mathews, "China Pressures Couples to Have Only One Child," The Washington Post, February 28, 1980, p. A20.

³⁰ Amanda Bennett, "China Cajoles Families and Offers Incentives to Reduce the Birth Rate," The Wall Street Journal, July 6, 1983, p. 23.

³¹ By May 1981, more than 20 provinces had adopted such laws. Xian radio, Shaanxi Provincial Service, May 3, 1981, FBIS, No. 85, May 4, 1981, p. T4.

³² XINHUA-English, Beijing, December 4, 1982, FBIS, No. 235, December 7, 1982, p. K12. Significantly, neither the provincial family planning laws nor the national constitution explicitly prohibit coercion in family planning or specify penalties for it. The Chinese press has not yet described a case of a cadre being punished for using coercion for any purpose, though it has cited many cases of severe punishments for violating family planning laws.

³³ Guangzhou radio, Guangdong Provincial Service, May 2, 1982, FBIS, No. 85, May 3, 1982, p. P3.

³⁴ See below, pp. 30-33.

³⁵ Sometimes popular acceptance was taken as an *a priori* assumption, as when Xu Dixin argued in 1981 that "Since our country is a socialist state (and) since our birth control program is in the interests of the people, . . . it is certain that it is favored by the great majority of our people." See Xu Dixin, "A Few Problems Concerning Population Science, Jingji yanjiu (Economic Research) (JJYJ), No. April 20, 1981, FBIS, No. 101, May 27, 1981, p. K23. Official spokesmen insisted that the policy emphasized "persuasive education and the people's willingness" and that coercion was "against state policy." See "Incentives help control population," CD, August 8, 1983, p. 4. A State Family Planning Commission spokesman said in July 1984 that the reduction in fertility in China "could never have been achieved without the people's voluntary support." See "Two-child families for next generation," CD, July 4, 1984, p. 1. Hebei Province claimed that the 2 million sterilizations it had performed in January-August 1983, during the mandatory sterilization program that represented the peak in coercion thus far in China's family planning work, were all "based on the masses' own free will." See "Hebei sheng jiaqiang jiejyu jishu gongzuo" ("Hebei Province Strengthens Birth Control Technical Work"), JKB, October 25, 1983, p. 1.

³⁶ Editors of the Beijing Review, an English language journal for foreign consumption, have said that "in promoting family planning, we have always emphasized education and opposed coer-

cion" and that the government "never hesitates to correct (cases of coercion) the moment they are discovered." See An Zhiguo, "Family Planning," Beijing Review (BR), Vol. 26, No. 35, August 29, 1983, p. 4; and Xin Lin, "A realistic Population Policy," BR, Vol. 27, No. 30, July 23, 1984, p. 4.

³⁷ Xinhua-English, Beijing, August 2, 1978, FBIS, No. 151, August 4, 1978, p. M5; and "A Big Change in Cadres' Work Style Is Demanded," RMRB, August 2, 1978, FBIS, No. 151, pp. E2-5. For more details on the manifestations of coercion in spheres other than family planning, see John S. Aird, "Fertility Decline in China," Chapter 4 in Nick Eberstadt, (ed.), "Fertility Decline in the Less Developed Countries," Praeger Publishers, 1981, pp. 188-189.

³⁸ Nanning radio, Guangxi Zhuang Regional Service, August 12, 1978, FBIS, No. 159, August 16, 1978, p. H3.

³⁹ "All-Out Effort, Policy, and Work Style," SCRB, September 26, 1978, FBIS, No. 190, September 29, 1978, p. J1.

⁴⁰ "We Should Have a Large Number of Cadres Who Dare to Study, Single Out, and Solve Problems," RMRB, December 7, 1978, FBIS, No. 239, December 12, 1978, pp. E11-12.

⁴¹ Contributing Commentator, "Forget Not the Relationship That Is as Close as Fish to Water," RMRB, August 19, 1978, FBIS, No. 164, August 23, 1978, p. E2.

⁴² Michael Parks, "Sex is high on list of new Chinese freedoms," The Baltimore Sun, January 25, 1979.

⁴³ Hua Guofeng, "Unite and Strive to Build a Modern, Powerful Socialist Country!" (Report on the work of the government delivered at the first session of the Fifth National People's Congress, February 26, 1978), XINHUA-English, Beijing, March 6, 1978, FBIS, No. 45, March 7, 1978, p. D25.

⁴⁴ The rates for 1976, 1977, and 1978 were 12.72, 12.12, and 12.05, respectively.

⁴⁵ XINHUA, Beijing, January 26, 1979, FBIS, No. 22, January 31, 1979, p. E9.

⁴⁶ XINHUA-English, Beijing, June 28, 1979, FBIS, No. 127, June 29, 1979, p. L5.

⁴⁷ Liu Haiguan, "Control Population Growth with the Same Drive Used in Grasping Production and Construction," GMRB, September 13, 1979, JPRS, No. 74,694, December 13, 1979, p. 68.

⁴⁸ "Shenggeweihi zhao kai jihu shengyu gongzuo dianhua huiyi" ("Guangdong Provincial Revolutionary Committee Holds Telephone Conference on Family Planning Work"), Nanfang ribao (Southern Daily) (NFRB), November 11, 1979, p. 1.

⁴⁹ Xu Dixin, "A Few Problems Concerning Population Science," JJYJ, No. 4, April 20, 1981, FBIS, No. 101, May 27, 1981, p. K23.

⁵⁰ They were told that this was "completely wrong" and that law enforcement could not be considered coercion since people must obey the laws. The authorities were not troubled by the fact that the laws themselves were coercive. See "Dui wosheng jihu shengyu gongzuo de jidian xiang" ("A Few Expectations Concerning Planned Parenthood Work in Guangdong Province"), NFRB, October 6, 1980, p. 1; and Xu Xuehan, "Tiaozheng woguo renkou zaishengchan de guanlianxing juece" ("The Key Policy Decisions in the Readjustment of China's Population Reproduction"), GMRB, August 29, 1981, p. 3.

⁵¹ XINHUA, Beijing, September 15, 1980, FBIS, No. 184, September 19, 1980, p. L22. The new minimum ages were 20 for women and 22 for men. But the previous administrative restrictions had set limits as high as 23 and 25, respectively, or higher in most areas. These limits were now said to be superseded. Even before the new law was formally promulgated on January 1, 1981, there was a rush to get married throughout the country.

⁵² Some areas reported a rise in second births. As some people put it, "the loudspeakers are silent, the secretaries are mute, and babies are being born." See "Renda daliao fayan yaoqiu jihu shengyu ying lifa" ("Deputies to the National People's Congress Demand that a Family Planning Law Be Enacted"), JKB, December 13, 1981, p. 1.

⁵³ XINHUA, Beijing, March 13, 1982, FBIS, No. 50, March 15, 1982, pp. K4-6.

⁵⁴ "Firmly Adhere to the Scientific and Correct Population Policy," RMRB, March 14, 1982, FBIS, No. 50, March 15, 1982, p. K3.

⁵⁵ XINHUA, Beijing, March 13, 1982, loc. cit.

⁵⁶ XINHUA, Beijing, November 1, 1982, FBIS, No. 213, November 3, 1982, p. K20. A few days later he said in an interview that the annual increment

should be kept under 11 million, 3 million less than the 14 million figure for 1981. See XINHUA-English, Beijing, November 6, 1982, JPRS, No. 82,378, December 3, 1982, p. 74.

⁵⁷ XINHUA, Beijing, November 6, 1982, FBIS, No. 218, November 10, 1982, p. K21.

⁵⁸ "Guanyu kaizhan guangguo jihu shengyu xuan-chuan yue huodong de tongzhi" ("Circular on Carrying Out the Nationwide Family Planning Propaganda Month Activities"), State Family Planning Commission Document No. 207, December 6, 1982, Zhonghua renmin gongheguo guowuyuan gongbao (People's Republic of China State Council Bulletin), 1982:21, February 12, 1983, pp. 1063-1070.

⁵⁹ "Zhongyang lingdao tongzhi zu jin zhichu jihu shengyu gongzuo bixu jixu zhua hao" ("A Central Leadership Comrade Recently Pointed Out that Family Planning Work Must Continue to Be Done Well"), JKB, March 3, 1983, p. 1; and "Jiu youguan jiejyu jishu zhengce, shengyu zhengce deng wenti Wang Pingshan fushengzhang da jizhe wen" ("Vice-Governor Wang Pingshan Answers Reporters' Questions on Policies on Birth Control Techniques and Childbearing"), NFRB, May 15, 1983, p. 2.

⁶⁰ Joint Investigation Team, State Family Planning Commission, Hebei Provincial Family Planning Office, and Shijiazhuang Prefectural Family Planning Office "Nongcun jihu shengyu gongzuo do yixiang zhongda cuoshi" ("An Important Step in Rural Family Planning Work"), JKB, April 3, 1983, p. 2.

⁶¹ Guangzhou radio, Guangdong Provincial Service, May 14, 1983, FBIS, No. 14, June 13, 1983, p. P1.

⁶² The advantages of sterilization were set forth in an article in a national health journal. See Ju Genhua, "Tichang nongcun yi sheng linglai de yuling fufu ziyuan zhuo jiezha" ("Exchange Rural Couples of Childbearing Age Who Already Have Two Children to Volunteer for Sterilization"), JKB, January 16, 1983, p. 2.

⁶³ For example, Guangdong Province reported that it had 7 million couples of childbearing age, of which 5.2 million had two or more children and "should be sterilized," but only 2.2 million had already had the operation by May 1983. The province had a three-year plan to sterilize 2.7 million of the remainder, of whom 1.7 million were to be sterilized in 1983. See "Sheng weishengting fachu tongzhi yaoqiu geji weisheng bumen zuohao jihu shengyu jishu gongzuo" ("The Provincial Public Health Department Issues Circular Requesting Public Health Organs at All Levels to Do Well in Technical Planned Birth Work"), NFRB, May 10, 1983, p. 1.

⁶⁴ "Zhongyang lingdao tongzhi zu jin zhichu jihu shengyu gongzuo bixu jixu zhua hao" ("A Central Leadership Comrade Recently Pointed Out that Family Planning Work Must Continue to Be Done Well"), JKB, March 3, 1983, p. 1. The "central leadership comrade" was Qian Qinzhang.

⁶⁵ These figures were obtained from the Ministry of Health by Michael Weisskopf. See "Abortion Policy Tears at Fabric of China's Society," loc. cit. A total only slightly different was estimated by Judith Banister from official data on nationwide birth control usage in 1982 and 1983. See Judith Banister, China's Changing Population, Stanford University Press, Stanford, California, (forthcoming in 1985), table 7.2.

⁶⁶ "China set to invoke new law on statistics," CD, December 9, 1983, p. 1.

⁶⁷ "Guojia jihu shengyu weiyuanhui fuzhe tongzhi weiben jiceng ganbu he duzhi" ("Responsible Comrades of the State Family Planning Commission Visit Basic Level Cadres and Households with an Only Child"), JKB, January 29, 1984, p. 1.

⁶⁸ "Quanguo sheng, shi, zizhi jihu shengyu weiyuanhui zhuren huiyi haozhao jixu dali zhua hao jihu shengyu gongzuo" ("Conference of Directors of Family Planning Commissions of All Provinces, Municipalities, and Autonomous Regions Calls for Continued Efforts to Carry Out Family Planning Work"), RMRB, March 8, 1984, p. 1.

⁶⁹ In October, a writer in the same journal revealed that the Party Central Committee had suggested that the proportion of couples to be considered for a second child be increased to 10 percent. This was called "opening a small gap" and was contingent on the success of the effort to close the "large gap" of other families having unauthorized births. See Long Guangrong, "Renzen kai hao xiaokou qieshi duzhu dakou" ("Earnestly Do Well in Opening a Small Gap and Effectively Close the Large Gap"), Jiansang bao jihu shengyu ban

(Health Gazette Family Planning Edition) (JKBHJSYB), October 19, 1984, p. 3.

⁷¹ "Ge sheng, zhihiu, zhihiashi lianxi dangdi shiji jiejue wenti ba zhongyang dui jihua shengyu gongzuo de zhibiao bianwei xingdong" ("Provinces, Autonomous Regions, and Municipalities Solve Problems by Taking Local Realities into Consideration and Turn the Directives of the Party Central into Actions"), JKBHJSYB, May 18, 1984, p. 1. But the article also said that the success of previous policies in reducing the numbers of births showed that they were "completely correct."

⁷² "Weishengbu he guojia jihua shengyu weiyuanhui lianhe fachu tongzhi yaoqiu gedi guance zhongyang zhishi jingshen zuohao jihua shengyu jishu zhidao gongzuo" ("The Ministry of Public Health and the State Family Planning Commission Issue a Joint Circular Requesting that All Areas Carry Out the Guidelines of the Central Committee by Doing Well in the Work of Giving Family Planning Technical Guidance"), JKBHJSYB, June 8, 1984, p. 1; and Peng Zhiliang, "Tan jihua shengyu zhengce yao heqing heli" ("Family Planning Policy Must Be Fair and Reasonable"), JKBHJSYB, June 29, 1984, p. 3. A month earlier the journal had carried an article citing as an example to be copied a human county that would not permit its cadres to violate the "four-not-allowed"—i.e., not allowed to "scold the masses," "break down houses," "take away the grain," or "carry away the pigs." The county was congratulated for having had "no cases of coercion since 1981." Its cadres had changed their "work style" and now they "tasted the sweetness"—they were welcomed by the masses wherever they went! See "Zhuzhong gongzuo fanfa guanxing qunzhong jiku" ("Pay Attention to Work Methods and Care for the Sufferings of the Masses"), JKBHJSYB, May 18, 1984, p. 3.

⁷³ "Ba Zhongyang jingshen wei ganbu qunzhong de zijue xingdong" ("Turn the Guidelines of the Party Central Committee into Voluntary Actions on the Part of the Cadres and the Masses"), JKBHJSYB, July 6, 1984, p. 1. This article is an abstract of a discussion Wang Wei had with reporters on May 29, 1984.

⁷⁴ A report from Hainan Island in August 1984 complained that the region had done rather poorly in fulfilling the sterilization quota assigned by the provincial authorities. See Haikou radio, Hainan Island Service, August 31, 1984, FBIS, No. 173, September 5, 1984, p. P5. The 1983 policies are also mentioned in Xining radio, Qinghai Provincial Service, October 16, 1984, FBIS, No. 204, October 19, 1984, p. T1; and Nanning radio, Guangxi Regional Service, December 4, 1984, FBIS, No. 236, December 6, 1984, p. P1.

⁷⁵ Lo Ming, "Zuo' xing weigai huaiyun youzui" ("The 'Leftist' Nature Has Not Been Changed; It Is a Crime to Be Pregnant"), Zhengming ribao (Contention Daily), (ZMPB), Hong Kong, July 27, 1981, p. 1.

⁷⁶ Ibid.

⁷⁷ Lo Ming, "Xiaohua guaishi wuqibuyou" ("Laughable and Peculiar Events; Nothing is Too Strange"), ZMRB, July 28, 1981, p. 1.

⁷⁸ Lo Ming, "Why is There Still Lawlessness? The Ultraleftist Practice of 10 Counties and Municipalities in East Guangdong in Planned Parenthood," ZMRB, July 29, 1981, JPRS, No. 78,901, September 3, 1981, pp. 68-69.

⁷⁹ Lo Ming, "Xiaohua guaishi wuqibuyou," loc. cit.

⁸⁰ Lo Ming, "Why is There Still Lawlessness?" p. 70.

⁸¹ Guangzhou radio, Guangdong Provincial Service, August 20, 1981, FBIS, No. 162, August 21, 1981, p. P1; Guangzhou radio, August 28, 1981, FBIS, No. 169, September 1, 1981, p. P5; and Guangzhou radio, August 29, 1981, FBIS, No. 169, September 1, 1981, p. P6.

⁸² "Jianchi ba jihua shengyu he gongnongye shengchan zhe liangjian dashi yiqi zhuhao" ("Persist in Grasping Family Planning Work and Agricultural and Industrial Production Simultaneously and Well"), NFRB, August 29, 1981, p. 1.

⁸³ "Xuexi Huiyang diqu jingyan zhuhao jihua shengyu gongzuo" ("Learn from the Experiences of Huiyang Prefecture and Grasp Family Planning Work Well"), NFRB, August 29, 1981, p. 1.

⁸⁴ XINHUA, Beijing, September 11, 1981, FBIS, No. 179, September 16, 1981, pp. P1-2.

⁸⁵ At the first meeting, it was asserted that since the Huizhou "on-the-spot" meeting there had been an improvement in family planning and the cadres' "work style." See "Shengfu zhao kai jihua shengyu gongzuo huiyi yanjiu jinhou gongzuo" ("The

Guangdong Provincial Government Holds a Family Planning Work Meeting to Study Plans for the Coming Year"), NFRB, December 2, 1981, p. 1; and Guangzhou radio, December 20, 1981, JPRS, No. 79,892, January 19, 1982, p. 52.

⁸⁶ "Qingyuan, Dongguan jihua shengyu gongzuo chengji xianzhu" ("Qingyuan and Dongguan Achieved Marked Results in Family Planning Work"), NFRB, May 20, 1983, p. 1.

⁸⁷ Guangzhou radio, August 8, 1983, FBIS, No. 155, August 10, 1983, pp. P1-2; Guangzhou radio, October 8, 1983, FBIS, No. 197, October 11, 1983, p. P1; Guangzhou radio, May 8, 1984, FBIS, No. 91, May 9, 1984, pp. P1-2; and Hu Fuqiang, Guangdong sheng, Guangzhou shi lianhe zhao kai jihua shengyu gongzuo dongyuan dahui" ("A Mobilization Meeting on Family Planning Work Was Jointly Held by Guangdong Province and Guangzhou Municipality"), Renkou yu jingji (Population and Economics) (RKYJJ), No. 4, August 25, 1984, p. 63.

⁸⁸ The explanations were offered by Li Hanbo, deputy director of Guangdong's provincial family planning organ (hence an underling of Du Ruizhi), to an American reporter. See Christopher S. Wren, "China's Birth Goals Meet Regional Resistance," The New York Times, May 15, 1982, p. 7.

⁸⁹ David Bonavia, "Deng stops the presses," Far Eastern Economic Review, August 7, 1981, p. 34.

⁹⁰ See above, pp. 23-24.

⁹¹ For example, see Beijing Centre of Communication and Education for Family Planning, "A Bird's Eye View of China's Population and Family Planning," (no date or place of publication), p. 3.

⁹² XINHUA-English, Beijing, May 19, 1979, FBIS, No. 102, May 24, 1979, p. L6; XINHUA-English, Beijing, October 26, 1981, FBIS, No. 207, October 27, 1981, pp. K7-8; "Speech by Head of Chinese Delegation at Third Asian and Pacific Population Conference," (mimeo), 1982; XINHUA-English, Beijing, March 21, 1983, FBIS, No. 56, March 22, 1983, pp. K7-8; and "Highlights from Statements of Countries in the ESCAP Region at the 39th Session of ESCAP, April 19-29, 1983," Population Headlines, No. 98, May 1983, p. 3.

⁹³ Chinese Delegation to the Third Asian and Pacific Population Conference, "China's Population and Its Prospects," (country statement), September 1982, p. 7; and Beijing Centre of Communication and Education for Family Planning, loc. cit.

⁹⁴ Qian Xinzong, "Controlling Population Growth," BR, Vol. 26, No. 7, February 14, 1983, p. 23; Michael Weisskopf, "China Orders Sterilizations for Parents," The Washington Post, May 28, 1983, p. A27; XINHUA-English, Beijing, August 3, 1983, FBIS, No. 151, August 4, 1983, p. K9; and An Zhiguo, "Family Planning," BR, Vol. 26, No. 35, August 29, 1983, p. 4.

⁹⁵ XINHUA-English, Beijing, September 23, 1983, FBIS, No. 188, September 27, 1983, p. K9.

⁹⁶ See "China's Program: 'Voluntary, Not Coercive,'" Popline, Vol. 7, No. 2, February 1985, p. 3. The remarks attributed to Zhou in this article are not necessarily verbatim, but the Population Institute staff member who prepared the article is confident that they are accurate in substance.

⁹⁷ "Paying for Abortions," The Wall Street Journal, April 9, 1984, p. 34.

⁹⁸ See the letter from Fred O. Pinkham, President of the Population Crisis Committee, in The Wall Street Journal, April 20, 1984.

⁹⁹ The spokesman was Werner Fornos, President of the Population Institute, who visited China at the invitation of the State Family Planning Commission in November 1984. See "China Daily wins global media award," CD, March 16, 1982, p. 3; and "Husbands praised by population expert," CD, November 24, 1984, p. 1.

¹⁰⁰ "1% Population Growth Goal for Asia," Popline, Vol. 3, No. 11, November 1981, p. 2.

¹⁰¹ "Guojia jihua shengyu lianhehui Wu Kunhuang zhuxi he Aluweihaier zhuren shuo: Zhongguo de jihua shengyu shi renmin zijide xuanze" ("President Ng Khoo-Pong and Director Aluvihare of the International Planned Parenthood Federation Say that China's Family Planning Is the People's Own Choice"), JKB, April 28, 1983, p. 1; and "Family planning measures 'hopeful,'" CD May 4, 1983, p. 3. One of the officials has stated in a letter to the author that the comments quoted in the first of these sources had been "lifted out of context." He also said that the IPPF visitors questioned their hosts about reports of infanticide and coercion in China. From his report of their responses it is apparent that the visitors received the usual answers.

¹⁰² XINHUA-English, Beijing, May 7, 1983, FBIS, No. 92, May 11, 1983, p. K12.

¹⁰³ XINHUA-English, Beijing, June 21, 1983, JPRS, No. 83,802, June 30, 1983, p. 48.

¹⁰⁴ "Human rights defined," People, London, Vol. 11, No. 1, 1984, p. 36.

¹⁰⁵ Population Division, Economic and Social Commission for Asia and the Pacific, Asian-Pacific Population Programme News, Vol. 11, Nos. 1 & 2, 1982, pp. 22-24; "Teaching aids to boost family planning drive," CD, February 3, 1982, p. 1; and "Work starts on family planning training centre," CD, March 17, 1982, p. 3.

¹⁰⁶ Michael Weisskopf, "China Orders Sterilizations for Parents," loc. cit. Requiring a "very explicit regulation" set an impossible standard for the incriminating evidence. The Chinese central authorities would never issue a directive on this form because that would make it impossible to shift the blame to lower levels if the adverse public reaction were too strong. Moreover, the authorities seldom publish family planning directives and certainly not those that contradict their claim that the program is not coercive.

¹⁰⁷ "UN aid for population planning," CD, February 25, 1984, p. 1.

¹⁰⁸ "Paying for Abortions," loc. cit.

¹⁰⁹ "Xinzong, Gandhi Win Population Awards," Popline, Vol. 5, No. 3, April 1983, pp. 1 and 4.

¹¹⁰ Bernard Nossiter, "Population Prizes from U. N. Assailed," The New York Times, July 24, 1983, p. 4. Contacted by the newspaper, Mr. Salas reportedly defended the awards and dismissed Schultz's allegations about infanticide as "an inference." But the same inference was drawn in Chinese sources in late 1982 and early 1983, until the foreign press began to repeat them, and it is supported by relevant demographic data from China. See above, pp. 9-12.

¹¹¹ "Perez de Cuellar Issues Warning On Overpopulation," Popline, Vol. 5, No. 9, October 1983, p. 4.

¹¹² For example, see Qian Xinzong's remarks in August 1983 in XINHUA-English, Beijing, August 3, 1983, FBIS, No. 151, August 4, 1983, pp. K7-8.

¹¹³ "Paying for Abortions," loc. cit.; and "Congress Debated Population Aid," Population Today, Vol. 12, No. 6, June 1984, pp. 3-4.

¹¹⁴ "No aid to abortion promoters—US," CD, July 16, 1984, p. 1.

¹¹⁵ "U.S. Withholds \$23 Million From U.N. Population Fund," The Washington Post, February 6, 1985, p. A14; and "U.S. Delays Population Aid," The Washington Post, February 7, 1985, p. A10.

¹¹⁶ United Nations Fund for Population Activities, "UNFPA and China: Briefing Note," February 9, 1985, pp. 3-5. This document cites the Party Central Committee "open letter" of September 1980, written during the anti-coercion reaction to the excesses of 1979, and the March 1984 conference of family planning leaders, held to curb the excesses of 1983, but it ignores the policies of 1983, when coercion in the Chinese family planning program reached its peak of intensity thus far, and it does not mention the hardening of the line since the summer of 1984 that followed the slight relaxation of March 1984. The effect is to convey a mistaken impression that the policy has been progressively relaxed in recent years; what has actually happened is instead a net escalation from 1978 through 1983, with a very slight relaxation since 1983. The program remains highly coercive. See also George Archibald, "Pro-life, AID forces clash on U.S. aid to China's population control," The Washington Times, March 18, 1985, p. 7B.

¹¹⁷ The administration had previously taken the position that it would provide no further U.S. aid to any organization whose projects directly or indirectly supported abortion or coercive family planning practices, but an AID official reportedly said that the partial withholding of funds was intended to "give UNFPA a chance to clean up its act." See "U.S. Cutting Population Agency's Funds," The Washington Post, March 31, 1985, p. A7; and George Archibald, "AID seeks to cut U.N. population agency's funding," The Washington Times, April 1, 1985, p. 3A.

¹¹⁸ Shen Guoxing, "A Brief Introduction to China's Family Planning Program," (Statement at a press conference in Mexico City), August 9, 1984, pp. 4-6; and Xu Dixin, "On Population Control and Free Economy—Answering Questions by a China International Broadcasting Station Reporter," SJJDB, November 26, 1984, JPRS, No. 85-007, January 16, 1985, p. 11.

¹¹⁹ A UNFPA official was recently quoted as saying that the Chinese authorities had "really taken very seriously everything that the U.N. has

suggested" and had "taken important steps" to deal with reported abuses in their family planning program. (See "U.S. Withholds \$23 Million From U.N. Population Fund," loc. cit.) Of course, after the 20.8 million sterilizations of 1983, the need for coercion in family planning would have been significantly reduced. Forcible sterilization assures future compliance without further strong measures.

¹¹⁷ Zha Ruichuan, "Renkou guanxing ji qi dui woguo renkou de yingxiang" ("Population Inertia and Its Effects on China's Population Growth"), RYJJ, No. 2, April 25, 1982, pp. 19-23.

¹¹⁸ "Aging world poses problems," CD, July 9, 1982, p. 4; and "Grannies to outnumber the young," CD, July 24, 1982, p. 1.

¹¹⁹ Bai Jiefu, "Work on Population and Planned Parenthood," RYJJ, No. 5, October 25, 1982, JPRS, No. 84-011, February 1, 1982, p. 31.

¹²⁰ Gui Shixun, "Dijiqiang: Weilai renkou ziran biandong yao youli yu shehui de fazhan" ("Lecture VII: The Rate of Change in Population Must Be Favorable to Social Development"), Shehui (Society), No. 4, August 20, 1983, pp. 61-65.

^{120a} The rapid aging of the population is a phenomenon common to all populations that have made a quick transition from high to low fertility. As the progressively larger cohorts of people born when fertility was still high and the population was growing rapidly reach the advanced ages and their places in the younger and middle ages are taken by progressively smaller cohorts born during the years when fertility was falling and population growth slowing down, the numbers of the elderly rise, their proportion of the total population increases still more quickly, and the average age of the population also rises. Hence the population as a whole is said to be "aging."

¹²¹ XINHUA-English, Beijing, November 8, 1983, JPRS, No. 84,857, December 1, 1983, p. 50; Wu Cangping, "Some Population Problems that Should Be Deliberated at an Early Date," SJJDB, No. 165, December 12, 1983, FBIS, No. 8, January 12, 1984, pp. K3-6; and Wu Cangping, "Yindang zhuyi de liangge renkou wenti" ("Two Problems to Which We Should Pay Attention"), Jingjixue wenzhal (Economics Digest), No. 4, 1984, p. 58.

¹²² Wu Cangping, "Problems of Old Age and Our Countermeasures," RMRB, August 20, 1984, JPRS, No. 84-065, October 2, 1984, p. 27.

¹²³ For example, see Fei Xiaotong, "Planning Population Growth and Distribution," China Reconstructs, Vol. XXXIII, No. 5, May 1984, p. 13; and Tian Xueyuan, "Cong renkou nianling jieguo biandong kan jihua shengyu gongzuo de weida chengjiu" ("Great Achievements Made in Family Planning Work as Shown by Changes in the Age Structure of the Population"), JKBHJSYB, August 31, 1984, pp. 1-2.

[From the Washington Post, Jan. 7, 1985]

ABORTION POLICY TEARS AT FABRIC OF CHINA'S SOCIETY

(By Michael Weisskopf)

DONGGUAN COUNTY, CHINA.—No government program has cut so deeply into Chinese society nor inspired such strong resistance in 35 years of Communist rule as the struggle to trim China's population.

Chinese leaders consider their policy of "one couple, one child" a fight for national survival, the chief prerequisite of modernization. Publicly, they claim to rely on the powers of persuasion and education, exercising a policy of voluntary consent. They point to declining birth rates and happy one-child couples as symbols of success worthy of the United Nations' first family planning award given jointly to China and India in 1983.

But a closer and longer look reveals a very different picture. China, to be sure, is curbing its population growth, but its success is rooted in widespread coercion, wanton, abortion and intrusion by the state into the most intimate of human affairs.

"The size of a family is too important to be left to the personal decision of a couple," Minister of Family Planning Qian Xinzhong explained before resigning last year.

"Births are a matter of state planning, just like other economic and social activi-

ties, because they are a matter of strategic concern," he said. "A couple cannot have a baby just because it wants to. That cannot be allowed if China is to stabilize its population and keep it from doubling and redoubling as it might."

The one-child policy was launched in 1979 as the centerpiece of an ambitious plan to contain China's population at 1.2 billion by the year 2000. China now has a population estimated at 1,038,000,000—22 percent of humanity—and has just 7 percent of the world's arable land.

Loosely enforced at first, the policy was tightening in 1982 after population growth rates began to climb. Since then, the state has strictly required intrauterine devices for all women with one child and sterilizations for one member of every couple with two or more children.

Cutting the growth rate of 1.15 percent in 1983—less than half the 1970 level—these regulations are credited officially with preventing millions of births a year.

For all its statistical gains, however, the one-child policy is piling up heavy costs in broken lives and is tearing at the fabric of Chinese society.

China is a society dominated by peasants who live off the land and strive for big families as a matter of economic necessity—the more children, the more hands to till the soil. To them, birth control is a threat, which many actively counter. They hide pregnant women. They secretly remove IUDs. They falsify sterilization certificates. And they physically attack officials.

Every year, millions of Chinese defy authority and have more children despite jolting penalties—heavy fines, dismissal from jobs and loss of farmland, housing and economic benefits—that leave them farther behind in China's march to modernization. Yet at least one-quarter of the 15 million to 20 million babies born in China every year are unapproved.

Faced with strong popular resistance, Peking resorts to even stronger measures. To this struggle, it brings the full powers of a totalitarian state, operating without fear of political opposition. There is no check on official abuse, no outlet for human rights complaints and no forum for public debate of the policy.

What emerges from more than 200 interviews spaced over three years with officials, doctors, peasants and workers in almost two-thirds of China's 29 local jurisdictions is the story of an all-out government siege against ancient family traditions and the reproductive habits of a billion people.

The story offers a glimpse of China usually hidden from foreigners but painfully familiar to most Chinese—a world of government-sanctioned infanticide, of strongarm sterilizations and of abortions performed at a rate as high as 800,000 a year in a single province.

It is a harsh milieu, in which houses are razed and valuables seized as the penalty for birth control violations, in which women are forced to wear intrauterine devices as the price of compliance.

While the policy works smoothly in many parts of China, local officials eager to please the central government often resort to excess.

THE DARK SIDE OF FAMILY PLANNING

Nowhere is this dark side of family planning more evident than in Dongguan, a bucolic patch of Guangdong Province in southern China. Here, abortion poses scourged the countryside in the spring of 1981, rounding up women in rice paddies and thatched-roof

houses. Expectant mothers, including many in their last trimester, were trussed, handcuffed, herded into hog cages and delivered by the truckload to the operating tables of rural clinics, according to eyewitness accounts.

Dongguan had been engulfed by an intense birth control campaign, known as "high tide," engineered by local officials to bring birth control offenders in line with the one-child policy.

In 50 days, 19,000 abortions were performed—almost as many as the country's live births in all of 1981.

Dongguan's "high tide"—details were confirmed in interviews here after initial reports in Hong Kong—dramatizes the least cited but most frequently observed form of birth control in China: abortion.

Any mother who becomes pregnant again without receiving official authorization after having one child is required to have an abortion, and the incidence of such operations is stunning—53 million from 1979 to 1984, according to the Ministry of Public Health—a five-year abortion count approximately equal to the population of France.

In 1983 alone, the number of abortions nationwide—14.4 million—exceeded the combined populations of the District of Columbia, Maryland, Virginia, West Virginia and Delaware.

Visits to rural south China reveal a trail of more than five abortions for every birth in places such as Duan Fen commune of Guangdong Province.

Although abortion was criminally punishable as murder in China as late as the 1950s, it is dispensed today without debate over moral questions.

"It's more humane to kill children before they are born than to bring them into a society of too many people," said Xu Fangling, a birth control official who helped direct the Dongguan campaign. "If you consider the serious difficulties overpopulation creates for people living today, the moral problem of abortion isn't too serious."

Nor is the timing of abortion usually a factor. Many are performed in the last trimester of pregnancy—100,000 in Guangdong last year, or 20 percent of the province's total abortions—and some as late as the ninth month. Officials say it often takes that long to get reluctant women to clinics.

Doctors normally terminate late-term pregnancies by injecting an herbal drug into the womb, killing the fetus and inducing labor—a kind of induced stillbirth. The dead fetus is usually expelled in 24 hours.

In the Inner Mongolian capital of Hohhot, however, hospital doctors practice what amounts to infanticide by a different name, according to a Hohhot surgeon, who would not allow his name to be used for fear of reprisal. After inducing labor, he revealed, doctors routinely smash the baby's skull with forceps as it emerges from the womb.

In some cases, he added, newborns are killed by injecting formaldehyde into the soft spot of the head.

"If you kill the baby while it's still partly in the womb, it's considered an abortion," explained the 33-year-old surgeon. "If you do it after birth, it's murder."

He said the practice began in 1981 after hospitals in Hohhot passed a new regulation banning births of second children except in the case of ethnic Mongolians who are treated more leniently under a national minorities policy. For everyone else, he said, "The second child cannot come out alive. The doctor has the obligation to prevent it."

A doctor who ignores the regulation risks losing his job, he said, although no one objects. He estimated that hundreds of babies die this way in his hospital every year.

"You get used to it," said the surgeon, explaining how doctors react. Sitting in the corner of a coffee shop during the interview, he lifted a cup and said, "It's like drinking coffee. At first, it's bitter. But after a while you don't notice the taste."

"I've done it myself."

Similar practices have been reported from other urban centers. A former hospital patient in the northwest city of Urumqi said that she saw women in labor being wheeled into a large room marked "abortion ward."

A medical student in Canton who worked in a hospital gynecology ward in 1982 told foreign visitors that pregnant women were required to present birth authorization cards before admission to the delivery room. He said doctors who were under orders to abort all unauthorized pregnancies often strangled or smothered newborns.

While abortion is justified officially as a necessary expedient, its high incidence is considered an embarrassing breakdown of a system carefully crafted to prevent unplanned pregnancies.

China's family-planning work is backed by the full organizational might of the Communist Party, which extends its influence to every factory, neighborhood and village. Every Chinese belongs to a "unit"—workplace or rural governing body—and every unit has a birth control committee headed by party officials. These officials have enormous power over the lives of their charges. Almost all decisions require their approval—who earns bonuses, who gets housing space, who grows cash crops, who has a chance to study, who marries and who has children.

When Peking gave local party chiefs responsibility for family planning, it added a powerful lever to assure compliance. Then, to fortify the resolve of these officials, it added financial incentive. In most parts of China, local officials earn cash bonuses only if their units observe birth control limits.

With a financial stake in low births, officials put a high premium on prevention. They carefully plan new births for their unit, requiring written applications from any couple wanting to have a child and matching requests with quotas that trickle down from Peking.

The primary target of their work, however, is couples who already have two or more children. At least one parent is required by the state to undergo sterilization, and local officials use methods ranging from cash rewards to coercion to get those eligible to the operating table. Almost always the woman bears the responsibility.

Official statistics show a high level of success: 31 million women and 9.3 million men were sterilized between 1979 and 1984, totaling almost one-third of all married, productive couples in China.

A national sterilization drive last winter boosted annual sterilizations for 1983 to an extraordinary 16.4 million for women and 4.4 million for men, according to the Public Health Ministry—exceeding the total number of such procedures in the previous five years.

Most sterilization in rural areas are done collectively in "high tides" organized by local officials to coincide with the visit of roving surgical teams who operate in improvised facilities or cold, austere clinics equipped with little more than board and bucket.

A roundup in frigid northern China near the Mongolian border illustrates how the process works.

The campaign, which was described by a participating doctor, began in November 1983, when officials from every commune in the county searched their records for women under the age of 45 who had two or more children. Then they broadcast their names over public loudspeakers and set dates by which each had to report to the clinic for surgery.

There was a warning to potential evaders: a loss of half of their state land allotment, a fine of 200 dollars—equal to about a year's income—and a late fee of \$10 for every day they failed to report.

Several couples initially defied the warning but were quickly brought into line. Officials went to their homes, confiscated valuables, such as sewing machines and building materials, and threatened to sell them within three days unless they submitted to the operation.

The surgical team left in early January after completing its goal of 16,000 sterilizations in two months, according to the doctor.

It was an unusually successful campaign considering the intensity of opposition to sterilization. The very mention of a "high tide" has sent whole villages of eligible women into hiding. To head off a mass exodus last year in coastal Fujian Province, Fujian County officials reportedly organized late night "surprise attacks", hustling sleeping women from their beds to 24-hour sterilization clinics.

Another popular dodge is phony sterilization certificates. Couples buy falsified or purloined forms at high black-market prices. When the woman gets pregnant, she pleads for leniency, claiming she was a victim of faulty surgery.

As resistance stiffens, however, so does the penalty evasion.

When women in a Yellow River community of Henan Province fled in advance of a "high tide" last spring, Xiuwu County officials tore off roofs of their houses and knocked down walls with tractors, according to a Chinese medical staffer who witnessed the wrecking.

Female workers in the sleepy southern port city of Zhanjiang were docked their wages until they reported for sterilization surgery, according to factory hands there. Although 20 women at one candy plant stood their ground and were fired, most gave in to the financial pressure.

"Who dares to oppose the regulation" asked a 34-year-old mother who had an operation she did not want. "I have three children. Can I afford to feed them without a job?"

Officials are no less forceful in dealing with one-child mothers. They are required by national regulation to have IUDs inserted after their first child is born and strictly forbidden to remove the stainless steel loops.

Other forms of contraception are permitted, including birth control pills and condoms, but statistics reflect the official preference for easier and more reliable IUDs: Of 124 million married women using birth control, 55 percent wear IUDs—69 million, which exceeds the total number of IUD users in the rest of the world combined.

AUTOMATIC IUD IMPLANTS

In some city hospitals, doctors automatically implant the devices immediately after a woman gives birth, often without inform-

ing the woman or seeking prior consent according to a Peking gynecologist.

Official prodding substitutes for hospital efficiency in most places, however. Family-planning authorities call on new mothers to stress the need for contraception. These are follow-up visits to "educate" the woman until she possesses an IUD certificate, for which she gets a small cash bonus and a few days off work.

Little choice is given in places such as rural Fujian, where women who refuse IUDs lose their right to grain rations and medical benefits for their first child, according to an overseas China visitor.

Women fitted with IUDs in most of China regularly are shepherded into clinics for X-rays to make sure of proper placing. Up to six times a year, they are stood before decades-old equipment to endure the kind of fluoroscopic examination discouraged in the West for fear of causing radiation damage to ovaries or fetuses. Frequent X-ray exams are considered necessary because of the high failure rate of IUDs, which are often inserted in factory-line fashion without concern for sizing.

Of greater concern to authorities is the problem of surreptitious removals. Women who had submitted reluctantly to IUD insertions pay charlatan doctors to extract them with homemade metal hooks. It is a common occurrence in rural areas, where the so-called "hook welders" charge as much as \$25 for a home "operation," often undoing the family planning work of an entire village in a few days' time.

These "hook welders" remain popular despite their record of disasters—hundreds of deaths and injuries reportedly caused by penetration of the uterus and intestines with unsterilized bicycle spokes or bamboo sticks.

For local officials who claim to run voluntary IUD campaigns, the reported incidence of such deviant behavior is contradictorily high: 80 percent of IUD users in some parts of Fujian had their loops removed in 1981; 10,000 extractions were reported in a single county of Sichuan Province between 1980 and 1983.

"These so-called doctors are swindlers who take advantage of the backward desire of peasants to have more children," said Sun Guoliang, vice chief of Sichuan's birth control office.

"There are women who were less than willing in the beginning to have the IUDs put in," he said. "Others may have been willing at first but changed their views after the swindlers told them the loops would make them sterile." In case of contraceptive failure or abuse, however, there are other controls built into the system.

Few unauthorized pregnancies can elude the tight supervision of birth control activists, a phalanx of female members of the party, Communist Youth League and Women's Federation who are deputized by local officials to monitor the reproductive lives of Chinese couples.

These activists, who often are referred to derogatorily as "mothers-in-law" for their meddling ways, each focus on a few couples in every factory, neighborhood and rural hamlet.

They know everyone's contraceptive method. They make daily house calls to remind birth control pill users to take their pills. They issue condoms on request, giving repeated instructions and insisting that they be used "two at a time" or be inflated first to test for leaks.

The activists closely watch for signs of pregnancy—morning sickness, craving for sour food or swollen breasts—and cultivate informers to report on their neighbors or coworkers.

They keep detailed records of every woman's menstrual cycle, checking to make sure of regularity.

"If it is late, we wait four days," said Yu Caihua, an activist in Zhou Nan County of Shandong Province. "If the woman's period still doesn't come, we take her for a check-up."

MONITORING CONTRACEPTION IN THE WORK PLACE

Many factories around the country hang up blackboards listing each female worker's contraceptive measure and the day her period arrives. The women are required to place a check mark next to their names after menstruation begins every month. If she fails to report on schedule, her boss will be asked why. The woman is then ordered to take a pregnancy test.

A positive test spells trouble for any woman who already has a child. She is urged to have an abortion, offered a cash bonus and time off from work as a reward. If she refuses, the pressure mounts.

This is where China's family-planning apparatus comes down with full force. It also is the breaking point for many Chinese.

First come the tactics of persuasion played out in what is known euphemistically as "heart-to-heart chats." Several activists visit the pregnant woman at home to explain the need for population control. She is urged to have an abortion for the good of her nation, her community and her family. Husbands and mothers-in-law are recruited for the talks because they often pose the biggest obstacle to abortion.

If she holds her ground, the talks intensify. More officials enter the fray, sometimes eight or ten at a time. They come for hours every day lecturing, cajoling, pleading. Eventually, the local party chief joins in and the tenor changes. Now the pregnant woman is criticized for resisting and warned of the penalty for unauthorized birth, which varies from place to place but can include loss of farmland, fines of up to \$1,000, firing from factory jobs, public censure and the denial of land, medical benefits, grain rations and educational opportunities for the unplanned child.

To increase the pressure for speedy abortion, the woman is charged a penalty, called a "talking fee," of \$2 per day in the rural suburbs of Qingdao in east China, according to peasants there.

In coastal Jiangsu Province, she is required to sign a "guarantee" promising to pay any penalty, according to family planning officials there.

Fines begin in the fourth month of pregnancy in factories of Shantou in east Guangdong, where both husband and wife lose 50 percent of their monthly wage—to be refunded if she finally has an abortion.

Meanwhile, the meetings go on, often all the way up to the point of delivery. Where talking fails, force often prevails. Sometimes, official use collective coercion in operations like that in Dongguan, where thousands of pregnant women were picked up in trucks and Jeeps, taken to commune headquarters for lectures, then driven to abortion clinics, some reportedly under police escort, in what was later described by local eyewitnesses as a "slaughter movement."

Party chief Huang Zhigao of Double Bridge Village in the southwestern province of Sichuan acknowledged the practice of

"helping" pregnant women to the clinic if they refuse to go on their own.

As an example, he cited a story of a 32-year-old woman named Li who had a baby girl and became pregnant again in the hope of having a boy. After numerous visits to her home by "persuasion groups" proved unsuccessful, eight activists appeared at her doorstep one morning and told Li, then four months pregnant, "if you don't go to the clinic willingly, we'll take you," according to Huang.

"The woman struggled and started crying when they started taking her by the arms," recalled Huang. "She was dragged about 50 yards and finally gave in."

Activist Zhang Xiujun, who was among those "helping" Li, said "It took all of us to get her to the clinic."

Huang justified the episode as a necessary "administrative measure." He said Li and another woman who met a similar fate complained that they had been taken against their will, but, "they were told there was no way out because they rejected our advice to go willingly."

The large number of Chinese who reject such advice every year indicates less aggressive enforcement or strong resistance elsewhere.

Many pregnant women hide in the mountains or flee to a relative's village to escape official harassment, practicing what is colloquially known as "childbirth on the run." So many runaways reached the remote, northwestern province of Gansu that a regulation was passed directing local officials to "terminate within a limited time all unplanned pregnancies of women not in their home residential area," according to an internal document.

Those who stay home simply resist the official hectoring, usually passively. In numerous cases, however, the pressure becomes too much and explodes into violence. There have been attacks against the private gardens of activists in Sichuan and Anhui provinces. And there have been physical attacks against officials themselves—stabblings, clubbings and beatings, according to official news reports.

A Guangdong peasant named Wu Jingqu, who had two children, personally pulled out his wife's IUD and got her pregnant. When the deputy party secretary of his commune visited the couple and pressed the woman to have an abortion, Wu reportedly hacked him to death with a meat cleaver. Wu was executed.

A Shandong activist was hospitalized for two months after she was kicked in the groin and beaten with wooden staves by a man who objected to her urging a pregnancy test for his wife.

"Some peasants accept the idea of birth control easily and some don't," said vice chief Sun of Sichuan. "The activists have to do their work, and the peasants want more children. There are inevitable clashes."

For many peasants who are just starting to prosper under today's flexible economic policies and want more farm hands, the prospect of being fined for having children seems unjust. For local officials, however, the only way to stop unplanned births is to make them prohibitively costly.

At the Double Bridge commune, Huang decided to make a "negative example" of a 29-year-old woman named Meng who fled 200 miles to have her second child at an aunt's home. Huang, who lost his bonus because of Meng's clandestine delivery, took revenge when she returned. He stripped her family of half of the land given by the state

for farming, fined her \$400—almost thrice her annual income—and denied her the right to grain and cloth rations for the second child.

To sharpen the sting, Meng was forced to make a self-criticism at a mass meeting. Standing before 100 peasants who sat on stools in the village warehouse, she endured what in Chinese terms is a painful loss of face.

"Since then we haven't had an unapproved second birth," said Huang.

[From the Washington Post, Jan. 8, 1985]

CHINA'S BIRTH CONTROL POLICY DRIVES SOME TO KILL BABY GIRLS (By Michael Weisskopf)

DATONG, CHINA.—In this rugged hardpan of north China known for poverty and coal, Zhang Yi had but two frail daughters to help scratch out a living. When his wife became pregnant again, he hoped for a son, brushing off official threats of penalties for an unauthorized third child.

But his wife bore another girl, and Zhang recalculated the cost. He packed the child in a cardboard box, left her for dead and informed authorities that she was stillborn, according to family planning officials here.

The baby girl became another victim of the ugliest side effect of China's war against overpopulation—female infanticide.

Official population statistics indicate a loss of more than 230,000 baby girls in 1981, a casualty list that is said to have grown dramatically in more recent years as the Communist government tightened its nationwide policy limiting Chinese couples to one child. Authorities have refused to reveal sex ratios of newborns after 1981.

The one-child policy seeks to stop runaway population growth from derailing the nation's modernization effort: China's 1,038,000,000 people already make up 22 percent of mankind living on just 7 percent of the world's arable land. In their zeal to limit births, however, local officials often resort to coercion, encourage widespread abortion and intrude into the reproductive lives of most married couples.

As it runs up human costs, the policy has aroused a strong backlash among China's usually compliant citizenry. It has expressed itself in physical attacks on birth control authorities, acts of subterfuge and more serious criminal behavior.

Female infanticide is the most extreme form of resistance to the one-child controls, a desperate act by parents squeezed between official restrictions and the traditional preference for male offspring.

Many Chinese think that if they can have only one child, better to give away, abandon or even murder a baby girl and try again for a boy.

Sons traditionally are prized for passing on the family name, a Confucian legacy enshrined in the saying: "There is no behavior more unfilial than to have no male descendants."

In China's vast countryside of 800 million peasants, moreover, boys serve as social security for elderly parents. Without pensions or old-age homes, they have only their sons to work the fields and handle the beastly burdens of rural life—hauling water, cutting firewood, feeding livestock and cleaning out-houses.

Daughters, by custom, move in with their husband's parents after marriage and are known colloquially as "goods on which one loses." Chinese society already has begun to reflect the tragic dimensions of this bias for

males, with five boys born for every girl in some places and a nationwide ratio of male to female births that greatly exceeds world standards.

The frantic push for boys in a one-child society can be charted in official accounts of drowning, suffocation, poisoning and desertion of baby girls. It is seen in the popularity of scientific fetus tests and superstitious rites to forecast the gender of the unborn child—with abortions following for women thought to be carrying a girl.

Couples try again and again for a son, enduring heavy fines, loss of jobs and official harassment.

Even though the male chromosomes determine the sex of a child, women absorb the blame if the baby is female. They often pay a price of beatings, scorn by their own family and divorce. The pressure reportedly has driven some wives to suicide, others into mental institutions.

The government in Peking decries female infanticide and propagates equality of the sexes, warning of the dangers to future generations of a lopsided sex ratio.

But few cases of baby killing or wife abuse are known to be prosecuted, and the central government appears to be stymied by negligent local authorities who often dismiss such offenses as "family conflicts."

Nor does Peking have a strategy for reconciling its one-child rule with the common yearning for boys. It insists on birth control for the good of posterity. But it offers no practical solution to China's millions who cannot secure their own futures without old-age benefits or sons.

Liu Chunsan, a farmer from east China, threw his 4-year-old girl down a well two years ago, believing that his wife could be given another chance for a boy if the couple were childless. Sentenced to 15 years in jail, he told a Chinese reporter that he wanted a son as a hedge against the future.

"I loved my daughter," Liu said in a prison interview. "But sooner or later she would get married and leave me for a husband. I would have supported her for 20 years for nothing."

Female infanticide was known to China in the pre-Communist period, especially during times of famine. But it seemed to disappear until the one-child policy increased the cost of bearing a daughter.

THE NUMBERS ON FEMALE INFANTICIDE

No statistics on female infanticide are published by China. But an analysis of national census data compiled in 1982 helps to quantify the problem. The census was the most comprehensive ever taken in China and only the third of the Communist era. The earlier surveys of 1953 and 1964 were separated by years of political turmoil.

To calculate the extent of female infanticide, western demographers base their analysis on a natural sex ratio at birth of 106 males for every 100 females, or 1.06, which is the internationally recognized norm.

China's earlier censuses show even lower ratios of boys—1.04 in 1964 and 1.05 in 1953—among babies under a year old.

The most recent census, however, recorded 1981 births of 10,765,292 boys and 9,924,412 girls, representing an unusually high sex ratio of 108.5 male to 100 female, or 1.085.

Comparing the actual number of female births to the world norm indicates a loss of 232,000 baby girls in 1981 alone.

An official Chinese survey revealing sex ratios by order of birth in 1981 points to a pattern of female infanticide. Sampling .01 percent of births, the study published last

year found the proportion of male babies rising dramatically among unauthorized second-born, third-born, fourth-born and fifth-born children.

If parents had to be penalized for violating the one-child policy, they apparently wanted to make sure they got a son in return.

For first-born children, the sex ratio actually fell below the world norm of 1.06, according to the survey.

But it soared to 1.15 for second-born children in cities. In rural areas, where the ban on second children still was enforced laxly in 1981 and parents may have felt less pressure to have a son on the second try, the ratio for third or later births was 1.12.

Western demographers say that while males are statistically favored among first births, the odds of having a boy actually decrease for second and later children.

The authorities have refused requests for gender breakdowns of births in recent years. But Chinese population experts in Peking have revealed privately to western demographers that the national sex ratio of newborns rose to 1.09 in 1982 and 1.11 in 1983.

Application of those unofficial ratios to total births listed for those years indicates a loss of almost 300,000 baby girls in 1982 and 345,000 in 1983.

Chinese officials are contradictory in their analysis of female infanticide. While acknowledging that the problem is serious, they contend that the 1981 sex ratio does not necessarily reflect widespread killing of infant girls.

Propaganda chief Shen Guoxiang of the state Family Planning Commission said in an interview that Chinese studies show the 1.085 ratio to be "normal." When he was reminded of the international norm and of earlier Chinese censuses showing much lower proportions of male to female babies, he refused to respond and stalked out of the interview.

A partial explanation for the sexual imbalance may be under-reporting of girl babies. Fearful of losing their chance for a son, peasants in remote areas may not inform authorities of the birth of daughters. As a result, the true number of female births is not reflected in statistics.

But a more sinister explanation comes to light in official report and scores of interviews during the past three years.

"At present, the phenomenon of butchering, drowning and leaving to die female infants is very serious," said the Communist Party newspaper, the People's Daily, in January 1983.

Last year investigators for a local women's federation visited rural counties of Anhui Province in eastern China. They reported a "serious disproportion" of sexes in some places, where baby boys outnumbered girls by five to one and female infanticide was rampant.

One place called Plum Village had eight births in the first quarter of 1982. Three were boys who were healthy. Of the girls, however, three were drowned and two were deserted.

In Guangdong Province, a reporter for the Southern Daily newspaper uncovered 210 cases of female infanticide in just two counties in 1982. Some peasants, he wrote, "place a bucket in front of the delivery bed, and if the newborn is a girl, she is immediately drowned in the bucket."

"Some people conspire with the midwife. If the baby is male, she is told to do a good job. If not, she must drown or choke it. Some suffocate girl babies with heaps of rags."

There are tales in the official press of baby girls who were forced to swallow insecticide or were bound in burlap sacks and thrown into the river. In the northeast industrial city of Tianjin, a man bit off part of his eight-month-old daughter's nose, planning to take advantage of a loophole allowing a second child if the first one is born deformed. Other baby girls reportedly are left to die in forests, in caves, on railway tracks or dumped into garbage cans and public toilets.

In the dreary coal city of Datong where Zhang Yi deserted his daughter, 26 of his neighbors in North Village Township also had unauthorized third children in 1981—half boys and half girls, according to Communist Party Secretary Chen Purong. All of the boys thrived, but four of the girls met the same fate as Zhang's daughter—listed as stillborn and abandoned, said Chen.

"No one wants to pay a fine for a girl," explained township director Zheng Fen.

Many baby girls never make it to birth. Women who have access to China's few well-equipped hospitals resort to amniocentesis, a test to determine the health of a fetus that can also predict gender. According to a magazine in the northwest province of Gansu, fetus tests are so commonly abused that "the male baby population is rapidly increasing."

In the countryside, superstitious peasants pay self-styled sorceresses to divine the sex of a fetus. Pregnant women with unusually big bellies and a craving for sour foods are thought to be carrying girls. Without the aid of more modern tests to determine the gender of their babies, they simply have abortions.

Some women have several abortions until they successfully bear a son; some just keep having babies—up to nine girls in the case of unfulfilled mothers from Anhui Province.

"Why do we keep having babies and risking our health?" asked 15 Anhui women in a 1983 petition published in the People's Daily to explain why they had so many children. "Because there is no place in this world for those without sons. Even if it means death, we will keep trying for a son so that we may hold our heads high."

Failure to have sons can ruin a woman's life. While this dilemma from Chinese women is as old as China, it is intensified by the one-child policy. In the old days, women kept trying until they had a son. Now they have one chance. Unsuccessful wives have been poisoned, strangled, bludgeoned and socially ostracized, according to official reports.

A transportation worker in Shenyang named Jiang Yujie, 28, whose husband beat her for having a girl, reportedly attempted suicide in April 1983 by lying on a railroad track. When she was pulled off the tracks in time, her mother-in-law taunted her: "If you want to die, go drink DDT," the old woman was quoted as saying. "For every one like you who dies, there is one less to worry about."

Jiang took her life a few days later by drinking seven bottles of the insecticide.

WEeping OVER THE BIRTH OF A GIRL

The pressure on women is so great that many openly weep on learning they have given birth to a girl. Doctors say they often see families rejoicing over the birth of a son but dejected if the child is a female. Some refuse to visit mothers in the hospital if they have delivered a girl.

Wang Yanjuan, 28, of Shanghai, was so distraught after giving birth to a girl that

she threw her from the hospital window in July 1982, yelling to would-be rescuers, "Don't save her. Just let her die," according to the official journal *Society*.

"All of the other mothers in my hospital room had boys," Wang later told a judge. "Every time their families came to visit, they whispered about me. I really couldn't stand it anymore."

In Peking, a 37-year-old woman died in a mental hospital last October, having refused to eat or speak since her husband strangled their newly born daughter last June, according to her friends.

After years of silence, China's Government has finally come to the defense of baby girls and their mothers. The state-run press reports cases of female infanticide along with the message that "boys and girls are equal." Billboards promoting the one-child ethnic feature a pigtailed girl, striding hand-in-hand with prosperous-looking parents.

In a few areas, small monetary incentives are given to young couples who live with the wife's parents, and monthly bonuses are awarded to couples with an only daughter. Daughters have been given the same constitutional responsibility as sons to support elderly parents.

Officials even bend the one-child rule in special cases to accommodate male preference. In sparsely populated areas, couples with an only daughter are permitted to try again for a son. Some provinces quietly have begun allowing a second child if the wife's family has no male heirs, if the wife or husband is an only child or if either is disabled.

When it comes to punishing female infanticide, however, the government shows far less commitment. Despite a few well-publicized cases, the vast majority of baby killings and desertions are not prosecuted, officials say.

Although the Women's Federation of Anhui disclosed numerous drownings and abandonments in 1983, federation vice chief Li Mengliu said none of the findings was pursued by law enforcement authorities.

In the southern port of Zhanjiang, 12 baby girls were killed and 17 abandoned in 1982, according to Deputy Family Planning Director Wang Lianzhang. He said offending parents were criticized, but no one was prosecuted.

"We couldn't find convincing evidence," Wang said. "These cases are difficult to investigate."

At least part of the difficulty, however, appears to be official negligence at the local level. According to the People's Daily, local authorities routinely regard female infanticide and wife abuse as a "family conflict," falling back on an old saying: "Even an upright official finds it hard to settle a family quarrel." These officials earn bonuses for assuring low birth rates in their factory or farm. If female infanticide means one less child, they have little incentive to stop it.

The Southern Daily reporter who uncovered widespread female infanticide in Guangdong Province said very few of the 210 murders were investigated. He reported that local officials were "insufficiently forceful in attacking those cases."

"What is even more shocking," he asserted, "is that some officials are sympathetic and supportive of this kind of criminal act. They say, 'With the one-child policy, it is natural that people want a boy.'"

[From the Washington Post, Jan. 7, 1985]

"LITTLE TREASURE" EXACTS A PRICE: COUPLE FACES PRESSURES AFTER ADDING A SON

QINGYANG COUNTY, CHINA.—To pass on the family name, Jiang Fugui was determined to keep trying for a son despite the state's one-child policy.

He succeeded on his second attempt but at the cost of his job, a year's pay and peace of mind.

Jiang, 36, had been a rising star in Qingyang, a rustic county in the eastern province of Anhui. With a good education behind him, he was chosen to help run his small silk factory and was given membership in the prestigious Communist Youth League.

Like millions of Chinese, however, Jiang's family plans clashed with state population goals, and he lost badly in the process.

"Everyone calls my son 'little treasure' because he cost so much," he joked in an interview. Jiang, an only son himself, said he felt parental pressure to keep alive his lineage. After fathering a daughter, he decided to try again for a boy. Finally, his wife became pregnant in October 1982.

As his factory's vice director, Jiang should have helped to enforce the state's limit of one child per couple. Instead, he was violating it, and he drew the rancor of his superiors.

The Jiangs were urged to have the pregnancy aborted. Cornered at home and at work, they were lectured dozens of times. They were exhorted to act as good examples for the community. They were threatened with fines for refusing. Even factory workers badgered them.

"It was a lot of pressure," recalled Jiang, a moon-faced man who sports a wispy goatee. "I couldn't sleep or eat. It was the same for my wife."

Jiang nonetheless stood his ground, claiming his wife's health was too frail to survive an abortion. But everyone else knew he was simply covering up his desire for a son.

"He knew his parents would not rest until they carried a grandson in their arms," explained Song Yueying, a birth control activist.

A son finally was born to Jiang in August 1983, but what should have been a happy occasion turned into a nightmare.

Jiang was fired from his job, stripped of league membership, censured in a circular sent all over the county and forced to pay back \$180—equal to his annual salary—in benefits he had received earlier for having a single child.

His wife, who also worked at the silk factory, was placed on probation and deprived of a pay raise given to other employees.

"As a factory official, Jiang should have taken the lead in birth control," said county Family Planning Chief Wu Zemin. "We had no other choice but to teach him a lesson for others to see."

After two jobless months in which he was depressed and financially strapped, Jiang was hired as a part-time technician at a cement factory.

Last May, he made a humiliating self-criticism before the silk factory bosses. In unusually lenient treatment toward a birth control violator, he was rehired as a temporary worker, but he labors without fringe benefits at just three-quarters of his old salary.

With their income slashed and careers clouded, Jiang and his wife barely can support their two children and Jiang's parents who live with them in a tiny brick house.

Chatting with a reporter, Jiang was asked if having a son was worth all the trouble.

"I shouldn't have done it," he replied.

A few seconds later, his solemn face cracked a smile. "I love my son, however," he said.—Michael Weisskopf

[From the Wall Street Journal, May 13, 1985]

HOW CHINA USES U.N. AID FOR FORCED ABORTIONS

(Stephen W. Mosher)

By Peking's own calculation, a staggering 53 million abortions have been performed in China over the past five years as part of a rigorous campaign to limit population growth. Through money provided to the United Nations Fund for Population Activities (UNFPA), the U.S. Government has supported this campaign.

The Chinese Government claims that the guiding principle of this abortion program is voluntarism, but there was nothing voluntary about the process I observed when living in a Chinese village in 1980. It involved subjecting pregnant women, many very close to term, to exhausting morning-to-night study sessions, levying heavy penalties on them and their families, and the actual incarceration of those who still proved recalcitrant. Nor does the description "voluntary" adequately encompass the reports that have come out of China in the years since then of pregnant women being handcuffed, thrown into hog cages and taken to the operating tables of rural clinics.

I estimate the 90 percent of the abortions performed in China are forced upon women who, if they were truly free to choose, would bear the children. Under the one child per family law, abortion in China is for all practical purposes mandatory for women who become pregnant outside the state-assigned quota. Not only are the pregnancies of married women who already have one child terminated under this law, so are the pregnancies of many who do not yet have a child.

Many of these abortions are done late in term and in a way that can only be described as brutal. Induced stillbirth and murders of newborns are common. I observed full-term unborn children being injected with a Western drug the Chinese called Rivalor, which causes the unborn child's death within 24 to 48 hours and in most cases its post-mortem ejection from the womb.

In other cases the child is killed at the time of parturition, sometimes by using forceps to crush the child's skull when it is still in the birth canal, other times by injecting formaldehyde into the soft spot of the head or by strangling as the child emerges. Since the baby is still partly in the womb at this time, this is not considered to be infanticide but merely abortion. Moreover, late or full-term abortions are carried out despite a regulation forbidding the termination of pregnancy after the sixth month. Officials anxious to meet the strict birth quotas set by higher-ups order doctors to ignore this prescription.

The Chinese Government has loudly and repeatedly protested that these excesses are not government policy and that those who take part in them will be punished according to law. In fact, however, aside from a handful of halfhearted prosecutions of peasant parents for killing their infant daughters, no official in China to date has been publicly punished for mandating late

abortions, for using coercion or for ordering doctors to kill infants at birth.

The only conclusion that can be drawn from these appalling facts is that Peking's assurances are merely a smoke screen. It is the birth quotas that officials enforce, not the written guideline advising no abortions after six months. And it is this quota the officials are held accountable for, not paper exhortations for voluntarism. The Chinese officials who say the opposite are, at best, naive. At worst, they are consciously duplicitous.

To date UNFPA seems to have taken at face value these Chinese assurances. A recent UNFPA report on its aid quotes official Chinese denials of government coercion and infanticide. Because of the unsatisfactory, UNFPA response, the U.S. Agency for International Development recently asked Congress to rescind \$10 million of the \$46 million earmarked for that organization this year. The remaining \$36 million would be put in a separate account for projects in other countries.

An investigation is under way in Congress to determine what further action, if any, should be taken. In this review, particular care should be given to examining UNFPA's admission that "the bulk of our program is provided for inputs requiring foreign currency" and "the provision of modern technology." Clearly, among the inputs requiring foreign currency would be drugs such as Rivalor and the latest in abortion technology.

It is, of course, highly unlikely that any investigation would be able to uncover evidence that U.S. funds were or are being used for infanticide and forced abortions in China. Nor should this be made a precondition of further cutting back of aid. Not only has UNFPA admitted that it has been instrumental in setting up the infrastructure of the Chinese program, it has unconditionally committed \$50 million in aid over the next four years to the program's continuance. The fact that U.S. aid continues to go to an organization that supports a program so tainted with abuses makes Americans silent accomplices to that program. The U.S. ought to distance itself from forced abortion and infanticide completely, morally and monetarily.

A total cutoff of indirect U.S. aid would not end the Chinese population-control program. But there is a good chance such a move would goad Peking into correcting the worst abuses of its program.

(Mr. Mosher, who spent a year doing research in a rural Chinese village in 1980, is the author of the forthcoming "Journey Into the Forbidden China" (The Free Press, 1985).)

Mr. HELMS. Mr. President, in light of all of the facts that I have today submitted for the RECORD, let us now turn to the most recent events in this matter of United States involvement in the Chinese population control program.

Because AID had failed to stop United States support for the coercive Chinese program by the end of fiscal year 1984, despite the permanent restrictions in section 104(f) of the Foreign Assistance Act, Congressman JACK KEMP proposed a new restriction on the appropriations measure for foreign operations for fiscal year 1985. The Kemp amendment, which became law on October 12, 1984 (Pub. L. 98-

473), provided that no population assistance funds may be available to any organization which includes as part of its population planning programs involuntary abortion. (Pub. L. 98-473, 98 Stat. 1888, October 12, 1984).

Mr. KEMP, others, and myself thought this language was sufficient to force UNFPA either to pull out of China completely or to persuade China to cease its coercive practices. Mr. McPherson and AID had other thoughts in mind, however. In late March 1985, after postponing the ordinary fiscal year 1985 payments to UNFPA, AID announced—with no meaningful prior consultation—that it was going forward on a \$36 million payment to UNFPA. This represented a \$10 million cut in the amount earmarked by Congress for UNFPA, but of course the earmark was contingent upon UNFPA compliance with the Kemp restriction.

Mr. President, nowhere in the Kemp amendment was the late March procedure actually followed by AID authorized. The determination under Kemp was clear: Either UNFPA met the requirements about involuntary abortion or it did not. In the former case, it was entitled to \$46 million; in the latter case, it was not to receive a dime of U.S. taxpayers' money.

But what did Mr. McPherson do? Instead of following the law, he in effect invented his own. He found fault with the coercion in the Chinese program, but he did not apply the sanction—a cutoff in U.S. funds—in the law.

As a result of Mr. McPherson's failure to enforce the Kemp amendment, Congressman KEMP went back to work. He persuaded the House to adopt an additional restriction in the 1985 supplemental appropriations bill, which passed the House on June 12. Ultimately, after amendments from Senator INOUE and me in the Senate, this second Kemp restriction was signed into law as part of Public Law 99-88 on August 15, 1985.

As finally enacted, the Kemp-Inouye-Helms amendment provided as follows:

None of the funds made available in this bill nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization.

Again, what Mr. KEMP, others, and I sought in sponsoring this language was to force UNFPA, in order to continue receiving United States money, either to first, pull out of China completely or second, persuade China to stop its coercive practices.

But what did Mr. McPherson come up with? According to his September 25, 1985, press release, UNFPA could continue receiving United States money if it stopped participating in the management of the coercive Chi-

nese program, even though it continued to support the coercive program generally. This interpretation not only ignores the constant aims of Mr. KEMP and others, but also guts that portion of the actual language prohibiting U.S. population assistance "to any organization or program which, as determined by the President of the United States, supports * * * a program of coercive abortion or involuntary sterilization." It gets a full half of the Kemp amendment.

Mr. President, it is time for AID to enforce the law as enacted by Congress and to stop thwarting the congressional will. It is my strong hope that, despite all, AID will do a better job in fiscal year 1986 in helping secure basic rights for all the Chinese, especially the women and their unborn babies, in the face of the inhumane and pernicious one-child policy of the Peking regime. Certainly, in light of my conversation with President Reagan, it will no longer be business as usual at AID.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I am delighted that we are about to vote on the nomination of Mr. Lord. I am not going to delay that process another minute.

Mr. President, I would like to extend my wholehearted support to the nomination of Winston Lord as our next Ambassador to China.

I cannot think of a more qualified person for such an important position in our foreign service, and I regret very much that his nomination has been delayed. I would like the record to show that the delay does not seem related in any way to a challenge to his qualifications. His knowledge, his judgment, his integrity, his ability to communicate and follow through on policy, is unquestioned.

Mr. Lord is an experienced student of international affairs who is perfectly prepared to deal with the pressures and complexities of the position to which he has been named. After a distinguished career as a foreign service officer, Mr. Lord joined the Policy Planning Staff in the International Security Affairs Office of the Pentagon. He then served ably on the National Security Council, and as director of Policy Planning Staff at the Department of State. In those positions, Mr. Lord accompanied two Presidents on virtually all of their foreign trips, including nine to the People's Republic of China. He has met with all of the leaders of China and has a deep knowledge of that country, one with which we are destined to have a growing web of complex political, economic, and cultural relations in coming years.

Since 1977, the nominee has been a dynamic president of one of our most useful organizations in the field of

international affairs, the Council on Foreign Relations.

In addition to his own qualities of heart and mind, Mr. Lord will have the help and support of his wife, Bette Bao Lord. She has written about life in China and about the historic traditions of the Chinese people in a sensitive and eloquent manner. She will undoubtedly add a special luster to a distinguished embassy.

Mr. President, I support the nomination of Mr. Lord.

Mr. President, I support the nomination and look forward to voting for it at an early hour.

Mr. LUGAR. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I yield to the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, over the past weeks and months, the confirmation of Winston Lord's nomination as Ambassador to the People's Republic of China has been delayed—a "hold" on the nomination has been in effect. I thank the distinguished majority leader for respecting our rights with regard to this nomination.

This Senator is one of those who have delayed the business-as-usual consideration of the proposed Ambassador to Communist China. I wish to fully explain my concerns and my actions.

I assure Mr. Lord that my concerns have nothing to do with his professional qualifications, philosophies or otherwise. Rather, my concerns center on a new State Department policy, and a now familiar, but ever objectionable Chinese population policy.

My first reason for opposing the Lord nomination involves the blatant and incredible misinterpretation provided by the State Department of what has come to be known as the Kemp amendment. The consequences of this purposeful misinterpretation by the State Department may be catastrophic. And they necessarily affect, strange as it may seem, the nomination before us.

The Kemp amendment language was successfully passed into law earlier this year. Debate over the merits of the amendment has been extensive; debate over the actual intention has been close to nonexistent. Almost no one, whether the most ardent supporter of abortion, or the most passionate advocate of right-to-life, doubted that the intention of the Kemp amendment was and remains the absolute prohibition of funding for any and all organizations and programs that support in any way any program involved with coercive abortion or forced sterilization.

Let me read the wording of the Kemp amendment to the supplemental appropriations bill:

None of the funds made available in this bill nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the president of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization.

The intention of the amendment is very clear. I ask my colleagues if there is any other legitimate way to construe Mr. Kemp's language. Well, the fact is that, in complete disregard for the clear meaning of the amendment, the State Department has misconstrued Mr. Kemp's words to imply something far weaker than might be expected. The State Department has chosen to ignore the obvious intent of the amendment, and proclaim that Mr. Kemp really meant that organizations like the UNFPA could still involve themselves with the Chinese program, even if it continued to condone the use of forced abortion and involuntary sterilization. All the UNFPA and similar organizations would have to do is remove themselves from the management of the Chinese program involving coercive abortions and sterilizations.

Such an interpretation is unconscionable, in my view. What makes the State Department's action even more appalling is the magnitude of the horrors perpetrated by the Chinese population. This is the second of my concerns, and I ask permission to relate some of these violations:

In the late 1970's the Chinese Communist Party established their infamous "one child" policy limiting each couple to no more than one child. To enforce the one-child limit, the Central Government established annual quotas of children for each Province. The state, then, determines both the number of children—one—and the timing of that birth.

Local street committees strictly monitor all couples for deviations from quotas and the family planning policy in general. An important monitoring element involves the meticulous tracking of menstrual periods. Family planning workers follow up on menstrual irregularities, providing prenatal service to women with coupons, and encouraging mothers outside the quota, even if they yet have no children, to seek an abortion. If, after repeated appeals, education, and increasingly forceful threats, the mother refuses to yield, officials apply various disincentives to the couple. These penalties range from the short-term reduction of rations, salaries, and privileges to permanent cuts in food, garden and housing allotments, salary, seniority, and so forth. Those couples with two children or more may be especially severely punished.

The Government's official policy regarding extra-quota births has been circulated extensively by Chinese family planning officials. Each couple may have only one child at the designated time. Couples not yet scheduled for a child must use birth control methods such as the "pill" and the IUD. "Unplanned pregnancies" must be aborted as soon as possible. The state mandates that any woman with one child must have an IUD inserted. The state prescribes mandatory sterilization for at least one partner of any couple with two children. "In no case," the official policy reads, "will a third child be born."

Because of the stringent birth requirements and the quotas and rewards set for state family planning workers, and as a result of the Government's unusual ability to oversee even the most personal aspects of couples' lives, few couples succeed in bearing two children. None bear a third. Effective enforcement of such a policy obviously demands some coercion. Sterilizations are compelled, and IUD's are forcibly implanted. Abortion, the Chinese state that 78 million have been performed from 1971-82, is legal till the eighth month. Often forced upon the woman, abortions are reported to have occurred into the ninth month of pregnancy.

One of the more tragic consequences of the Communist program involves the widespread practice of infanticide. No Government policy statements are known to endorse infanticide as a family planning tool, but strong cultural and economic factors pressure parents to bear a male as their only child. As a result, numerous sources indicate widespread female infanticide. Indeed, the Communist government's statistics for 1983 record a 111:100 ratio of male infants to female, revealing a loss of over 350,000 children of the latter gender.

Mr. President, the abuses of the Chinese population control program are as well-known as they are extensive; as widely written about as they are horrible. These are violations of individual privacy. They are abuses that strike at and destroy the very root of human dignity. These are corruptions that mock all international proclamations in defense of human rights.

Such violations of international law cannot go unsanctioned. Nor should we act in any way that might imply approval of such infractions. The ratification of the pending nomination will send a signal to the State Department, the Communist Party in China and the world that this Nation of ours will overlook blatant and outrageous human rights violations, and conduct business as usual.

We should not condone this Chinese population policy while it encourages and implements practices of forced

abortion and sterilization. We should not allow the State Department to run away with a grossly twisted reading of Mr. KEMP's exceptionally lucid amendment. By confirming Mr. Lord we do both of these things. Let us rather put our energies and votes into signaling both China and the State Department that we will not stand for the unconscionable use of a coercion, or the outrageous violation of human rights.

Mr. PELL. Mr. President, I am delighted that the nomination of Mr. Lord is coming to us at this time. He will be a good ambassador. I have worked closely with him in the past years and I look forward to working with him in the future. I trust his nomination will be approved.

SCHEDULE

Mr. DOLE. Mr. President, I would like to be able to make an announcement to my colleagues before the vote starts, but I will need to confer briefly with the distinguished minority leader. If we can agree to vitiate four of the pending amendments, we can announce that there will be no more votes this evening. I think Members would like to know that before they vote on this nomination.

Let me thank all Members. We now have the Lord nomination before us. Again, I share the philosophy expressed by Senator HELMS as far as the termination of human life is concerned. I do not fault him for a moment. It is just another example where there has been less than candid exchanges of information between certain people previously mentioned and the Senator from North Carolina.

I have noted that there is always a great deal of fascination in the press when the Senator from North Carolina places a hold on a nomination. I am not certain what brings that about. I have a whole lot of other nominations with holds. I wish the press would take note. They are fine and distinguished people who would like to become public servants. If we had the same focus on all the nominees, it would make my job much easier. In any event, I thank the distinguished Senator from North Carolina for his cooperation. I appreciate the fact that it took the President to sort of straighten out all of that. Maybe that will help us later on.

Mr. President, the distinguished minority leader is just entering the Chamber. I was just suggesting I would like to announce there will be no additional votes this evening.

As I understand, if we can vitiate amendments numbered 2, 3, 5, and 9, that would leave the Byrd amendment, the Dole amendment, and the Moynihan amendment pending.

Mr. President, I ask unanimous consent that in the unanimous-consent agreement entered into Friday morning with reference to a series of amendments dealing with the debt

limit extension, on the calendar dated Tuesday, November 5, 1985, page 2, that amendments numbered 2, 3, 5, and 9 be vitiated. That would leave amendments by Senator BYRD, Senator DOLE, and Senator MOYNIHAN.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, there will be no further rollcall votes tonight following this vote.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Winston Lord, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Indiana [Mr. QUAYLE], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I also announce that the Senator from Nebraska [Mr. ZORINSKY] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 87, nays 7, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—87

Abdnor	Glenn	Mattingly
Andrews	Gore	McConnell
Baucus	Gorton	Melcher
Bentsen	Gramm	Metzenbaum
Bingaman	Grassley	Mitchell
Boren	Harkin	Moynihan
Boschwitz	Hart	Murkowski
Bradley	Hatch	Nickles
Bumpers	Hatfield	Nunn
Burdick	Hawkins	Packwood
Byrd	Hecht	Pell
Chafee	Heflin	Pressler
Chiles	Heinz	Proxmire
Cochran	Hollings	Pryor
Cohen	Humphrey	Riegle
Cranston	Inouye	Rockefeller
D'Amato	Johnston	Roth
Danforth	Kassebaum	Rudman
DeConcini	Kasten	Sarbanes
Dixon	Kennedy	Sasser
Dodd	Kerry	Simon
Dole	Lautenberg	Simpson
Domenici	Laxalt	Specter
Durenberger	Leahy	Stafford
Eagleton	Levin	Stevens
Evans	Long	Thurmond
Exon	Lugar	Trible
Ford	Mathias	Warner
Garn	Matsunaga	Wilson

NAYS—7

Armstrong	Helms	Wallop
Denton	McClure	
East	Symms	

NOT VOTING—6

Biden	Quayle	Weicker
Goldwater	Stennis	Zorinsky

So the nomination was confirmed.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I ask unanimous consent that the President be immediately notified the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. LUGAR. Mr. President, I ask unanimous consent the Senate now resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee.

It is now about 7:20 p.m., and we have concluded those two nominations. I appreciate his efforts.

I indicated earlier that we thought we might be here late in the evening, but we have been able to vitiate four amendments which had an hour apiece, and it would have been 11:20 instead of 7:20.

I apologize to at least one of my colleagues who had other plans this evening and changed those plans. He has a perfect voting record.

I yield briefly to the distinguished Senator from Virginia [Mr. WARNER].

Mr. WARNER. I thank the majority leader for his words.

Indeed, I had consulted with him earlier in the day, expressing a strong necessity to go to the capital of my State tonight, since the State is having an election for Governor. That was not possible. The leader advised me that he anticipated that this session would go on well into the night.

Mr. DOLE. I thank the distinguished Senator from Virginia.

Even though it may have inconvenienced the Senator from Virginia, I am pleased that we have been able to dispose of the four amendments so quickly, and I hope they will understand in Richmond.

Mr. President, we have been trying to figure out something to do tomorrow morning, and it may be that we will have to go to a couple of nominations.

NATIONAL REYE'S SYNDROME WEEK

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 29.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 29) entitled "Joint resolution to designate the week of November 11, 1985, through November 17, 1985, as 'National Reye's Syndrome Week'", do pass with the following amendments:

Strike out all after the resolving clause and insert: *That the week of November 11 through November 17, 1985, is designated "National Reye's Syndrome Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.*

Strike out the preamble, and insert:

Whereas Reye's Syndrome is a disease of unknown cause which normally attacks healthy children eighteen years of age and under, both male and female, which can kill or cripple more than half of its victims within several days by attacking the muscles, liver, brain, and kidneys, and which affects every organ in the body;

Whereas Reye's Syndrome is recognized by the Food and Drug Administration to be one of the top ten killers among all children's diseases;

Whereas Reye's Syndrome was first recognized as a specific illness in 1963 but is not a new illness since children have been affected by it for decades during which it was improperly diagnosed;

Whereas the reporting of cases of Reye's Syndrome is required in only one-half of the States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the other territories and possessions of the United States;

Whereas national Reye's Syndrome volunteer organizations are established throughout the United States and are supported by thousands of parents;

Whereas such volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's Syndrome research; to encourage coordination of the treatment and research efforts by the various Reye's Syndrome treatment and research centers, to establish Reye's Syndrome as a reportable disease in every State; to establish at the Center for Disease Control a position for the review of data on Reye's Syndrome patients; to sponsor a multicenter research study by recognized authorities on Reye's Syndrome; to sponsor programs to educate parents and medical professionals with respect to diagnosis and treatment of the illness; and to raise funds for research into cause, prevention, and treatment of Reye's Syndrome;

Whereas the public, the Federal Government in general, and the Congress in particular, are not sufficiently aware of the continuous increase in the incidence of Reye's Syndrome; and

Whereas the chief executive officers of several States have declared Reye's Syndrome weeks: Now, therefore, be it

Amend the title so as to read: "Joint resolution designating the week of November 11

through November 17, 1985, as 'National Reye's Syndrome Week'."

Mr. DOLE. Mr. President, I move that the Senate concur in the House amendments with a further Senate amendment, which is No. 959 and is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. GLENN, proposes an amendment numbered 959:

On page 2 in the sixth paragraph of the preamble strike out: "to sponsor a multicenter research study by recognized authorities on Reye's syndrome;"

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOINT UNITED STATES-SOVIET EFFORT TO ACHIEVE WORLD-WIDE DISEASE IMMUNIZATION BY 1990

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 337, Senate Resolution 227.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A bill (S. Res. 227) urging a joint United States-Soviet effort to achieve worldwide disease immunization by 1990.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with amendments.

The reported amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

Mr. LUGAR. Mr. President, I commend the distinguished minority member of the committee, Senator PELL, for his initiative in bringing this exceptionally good idea to fruition in the form of this resolution. I was pleased to join him, and I commend this resolution to the Senate.

Mr. PELL. Mr. President, 2 months ago, during a Senate delegation meeting with Soviet leader Gorbachev, I took the opportunity to propound my view of the desirability of certain United States-Soviet cooperative activities which might serve as useful steps on the road toward an improved, more stable East-West relationship. Upon return, I took action on one of these proposals by introducing, on behalf of Senator LUGAR and myself, a

Senate resolution (S. Res. 227) urging creative superpower diplomacy to transform the proposal from concept to reality.

The subject of this proposal, Mr. President, could not be more deserving of the best efforts of the superpowers. I speak of the world's children. Each day around the world, 40,000 children die—1,500 per hour, 25 per minute, 15 million each year. While the tragedy behind these numbing figures may defy comprehension, the horror of pervasive child death by poverty and disease is real. But so too is the world's ability to diminish this continuing scourge. For as many as half of these children could now be saved through the basic preemptive remedy of immunization against the six major diseases—measles, diphtheria, whooping cough, tetanus, tuberculosis, and polio.

The international community's collective ability to exterminate a disease through immunization was demonstrated in the successful worldwide campaign waged against smallpox in the 1960's and 1970's, which totally ended that scourge by 1980. Continued progress against disease, however, is by no means inevitable. Although U.N. agencies reduced childhood death rates in poor countries by one-third in the two decades from 1950 to 1970, the 15 years since 1970 have seen virtually no further gains.

Yet, progress—remarkable progress—has come within reach. Immunization technology has now advanced such that, given the political will and the resources, all children in the world could be immunized against the six major diseases by 1990. Nor are the necessary resources beyond the capacity of the developed nations to provide. A multidisease immunization program would require only about \$5 per child—a few cents for the vaccine, the remainder for necessary costs of transporting vaccine in a "cold chain" and the administration of injections. Thus, with 100 million children born in the developing countries each year, a full global immunization program, once underway, would require little more than \$500 million annually. Initial costs, of course, would be somewhat higher—requiring perhaps an additional \$1 billion—due to the need to catch up with the many children not yet immunized.

To provide some perspective on the current catastrophic rate of child death from immunizable diseases—the rate of tragic child suffering and death that we could now act to prevent—let me offer two examples. In El Salvador, while our attention has focused on the horror of brutal warfare, child fatalities from immunizable disease have continued to occur at a greater rate than total war fatalities. Meanwhile, in India, where the shocking chemical disaster in Bhopal recent-

ly killed thousands, more children die from immunizable diseases in that country each day.

Nor, Mr. President, does the saving of children around the world offer us only a short-term gain, accompanied by the long-term liability of an inexorably expanding population. In the short run, a decline in child mortality obviously results in population expansion. But reduced child mortality is crucial to attaining the level of economic development associated with reduced rates of population growth. Thus, ending the six major diseases represents a huge step toward reducing human misery around the world, not only immediately but also in the long term.

Mr. President, the goal of achieving worldwide disease immunization by 1990 has just been affirmed by Congress in the fiscal year 1986 Foreign Assistance Act. The Pell-Lugar resolution draws a connection between the opportunity to overcome the destitution afflicting so much of humanity and the other great problem facing mankind today: The world-threatening animosity of the nuclear-armed superpowers.

The world has in recent years witnessed the steady degeneration of the United States-Soviet relationship into a near total and deeply dangerous impasse. In assessing this state of affairs, no fair observer could overlook the heavy measure of Soviet responsibility; the Kremlin's failings and misdeeds are sufficiently obvious that Soviet ideology has continued to lose appeal around the world. Nor, of course, would all observers totally absolve the Reagan administration. Regardless of the balance of blame, however, the successful management of future superpower relations remains an imperative of American security and international stability.

In just 2 weeks, President Reagan and General Secretary Gorbachev will convene the first superpower summit in more than 6 years. At present expectations and attention now center almost exclusively on appraising their prospects for agreement on nuclear arms control, that most complex and contentious of subjects. While the two leaders clearly cannot ignore the nuclear issue, both might well find it useful to focus also on a subject on which they could more easily achieve substantive agreement to cooperate. Helping the world's poor—a subject already high in the public consciousness because of recent "Live Aid" activities for Africa—could be such an issue. Accordingly, Senate Resolution 227 states as follows:

That the United States and the Soviet Union should immediately undertake a formal commitment to initiate, using their own resources and those of other donors and appropriate multilateral agencies, a joint effort to bring the benefits of immuni-

zation to all children of the world by the year 1990; and

That this joint effort should be undertaken in a spirit of common dedication to a transcending humanitarian purpose, and with the practical hope that such constructive collaboration may also serve as a model for further superpower cooperation.

The advantage of a joint United States-Soviet world immunization effort is that it draws upon the superpowers' strength in technology and resources, while bypassing their innate geopolitical competitiveness. Unlike development activities, immunization efforts do not have an inherent geopolitical dimension: They involve no vested or strategic interest in any particular Third World regime. Immunization requires only that politically neutral medical teams, backed by politically neutral resources, enter those countries in need and do the job. Existing multilateral agencies, which are already deeply involved in immunization activities could administer much of this expanded worldwide program, and other nations and private organizations would be called upon to contribute resources. Valuable political thrust, however, would come from the superpowers acting in constructive partnership.

For the world, such a joint United States-Soviet undertaking would be symbolically as valuable as a joint space mission, vastly more productive in human terms, and a possible step toward ameliorating the East-West conflict at a time of entrenched and dangerous stalemate in superpower relations. A cooperative United States-Soviet immunization effort—to protect the world's children—is a strategic defense initiative that citizens of both nations, and the world, could agree on and applaud.

Mr. President, recently Senator LUGAR and I wrote to Secretary of State Shultz and National Security Adviser McFarlane to urge the administration to give serious consideration to including immunization as a subject for discussion at the forthcoming summit. With today's expression of overwhelming Senate support for Senate Resolution 227, I renew that appeal.

The resolution, as amended, and the preamble are as follows:

S. Res. 227

Whereas six diseases—measles, diphtheria, tetanus, whooping cough, tuberculosis, and polio—each year ravage the children of the world, killing some five million and leaving an equal number disabled;

Whereas the medical technology now exists to immunize the world's children against these diseases at an estimated cost of \$5 per child—a total cost of \$500,000,000 for the one hundred million children born in the developing countries each year;

Whereas medical studies estimate that such immunization could reduce child mortality around the world by as much as one-half;

Whereas reduced child mortality is crucial to attaining levels of economic development associated with reduced population growth;

Whereas in the 1960's and 1970's the United States and the Soviet Union cooperated effectively together and with other nations in a United Nations program which, by 1980, ended the scourge of smallpox throughout the world;

Whereas responsible scientists now believe that a concerted international program could achieve immunization of all children on Earth against all major diseases by 1990; and

Whereas recent international efforts to assist the famine-stricken people of Africa demonstrate a powerful impulse among the people of the developed nations to direct resources toward people less fortunate: Now, therefore, be it

Resolved, That—

(1) the United States and the Soviet Union should immediately undertake a formal commitment to initiate, using their own resources and those of other donors and appropriate multilateral agencies, a joint effort to bring the benefits of immunization to all children of the world by the year 1990;

(2) this joint effort should be accompanied by the initiation of studies to anticipate the demographic effects of such increased immunizations;

(3) this joint world immunization effort should be undertaken in a spirit of common dedication to a transcending humanitarian purpose, and with the practical hope that such constructive collaboration may also serve as a model for further superpower cooperation.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY—HAGUE CONVENTION ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION

Mr. DOLE. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Hague Convention on the Civil Aspects of International Child Abduction (Treaty Document No. 99-11) which was transmitted to the Senate October 30, 1985, by the President of the United States; and also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Hague Convention on the

Civil Aspects of International Child Abduction, adopted on October 24, 1980 by the Fourteenth Session of the Hague Conference on Private International Law and opened for signature on October 25, 1980.

The Convention is designed to secure the prompt return of children who have been abducted from their country of habitual residence or wrongfully retained outside that country. It also seeks to facilitate the exercise of visitation rights across international borders. The Convention reflects a worldwide concern about the harmful effects on children of parental kidnapping and a strong desire to fashion an effective deterrent to such conduct.

The Convention's approach to the problem of international child abduction is a simple one. The Convention is designed promptly to restore the factual situation that existed prior to a child's removal or retention. It does not seek to settle disputes about legal custody rights, nor does it depend upon the existence of court orders as a condition for returning children. The international abductor is denied legal advantage from the abduction to or retention in the country where the child is located, as resort to the Convention is to effect the child's swift return to his or her circumstances before the abduction or retention. In most cases this will mean return to the country of the child's habitual residence where any dispute about custody rights can be heard and settled.

The Convention calls for the establishment of a Central Authority in every Contracting State to assist applicants in securing the return of their children or in exercising their custody or visitation rights, and to cooperate and coordinate with their counterparts in other countries toward these ends. Moreover, the Convention establishes a judicial remedy in wrongful removal or retention cases which permits an aggrieved parent to seek a court order for the prompt return of the child when voluntary agreement cannot be achieved. An aggrieved parent may pursue both of these courses of action or seek a judicial remedy directly without involving the Central Authority of the country where the child is located.

The Convention would represent an important addition to the State and Federal laws currently in effect in the United States that are designed to combat parental kidnapping—specifically, the Uniform Child Custody Jurisdiction Act now in effect in every State in the country, the Parental Kidnapping Prevention Act of 1980, the 1982 Missing Children Act and the Missing Children's Assistance Act. It would significantly improve the chances a parent in the United States has of recovering a child from a foreign Contracting State. It also pro-

vides a clear-cut method for parents abroad to apply for the return of children who have been wrongfully taken to or retained in this country. In short, by establishing a legal right and streamlined procedures for the prompt return of internationally abducted children, the Convention should remove many of the uncertainties and the legal difficulties that now confront parents in international child abduction cases.

Federal legislation will be submitted to provide for the smooth implementation of the Convention within the United States. This legislation will be consistent with the spirit and intent of recent congressional initiatives dealing with the problem of interstate child abduction and missing children.

United States ratification of the Convention is supported by the American Bar Association. The authorities of many States have indicated a willingness to do their part to assist the Federal government in carrying out the mandates of the Convention.

I recommend that the Senate give early and favorable consideration to the Convention and accord its advice and consent to ratification, subject to the reservations described in the accompanying report of the Secretary of State.

RONALD REAGAN.

THE WHITE HOUSE, October 30, 1985.

DEPARTMENT OF THE TREASURY

Mr. DOLE. Mr. President, as in executive session, I ask unanimous consent that the nomination of George D. Gould, of New York, to be Under Secretary of Treasury, be referred to the Committee on Banking, Housing, and Urban Affairs for a period not to extend beyond November 15, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting a treaty, which was referred to the Committee on Foreign Relations.

MESSAGES FROM THE HOUSE

At 1:30 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed

the following bills, in which it requests the concurrence of the Senate:

H.R. 1593. An act to direct the Secretary of the Interior to release on behalf of the United States certain restrictions in a previous conveyance of land to the town of Jerome, Arizona;

H.R. 1740. An act to direct the Secretary of the Interior to release a reversionary interest in certain lands in Orange County, Florida which were previously conveyed to Orange County, Florida; and

H.R. 1795. An act to exempt certain lands in the State of Mississippi from a restriction set forth in the act of April 21, 1806.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1593. An act to direct the Secretary of the Interior to release on behalf of the United States certain restrictions in a previous conveyance of land to the town of Jerome, Arizona; to the Committee on Energy and Natural Resources.

H.R. 1740. An act to direct the Secretary of the Interior to release a reversionary interest in certain lands in Orange County, Florida which were previously conveyed to Orange County, Florida; to the Committee on Energy and Natural Resources.

H.R. 1795. An act to exempt certain lands in the State of Mississippi from a restriction set forth in the act of April 21, 1806; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1964. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Navy Acquisition: SUBACS Problems May Adversely Affect Navy Attack Submarine Programs"; to the Committee on Armed Services.

EC-1965. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice of a 90 day extension for a decision in "Omaha Public Power District v. Burlington Northern Railroad"; to the Committee on Commerce, Science, and Transportation.

EC-1966. A communication from the Acting Deputy Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, a proposed plan for the use and distribution of the Wichita and Affiliated Tribes judgement funds awarded before the United States Claims Court; to the Select Committee on Indian Affairs.

EC-1967. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the 1984 Report on the Administration of the Public Health Service; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services:

Richard N. Holwill, of the District of Columbia, to be a Member of the Board of the Panama Canal Commission.

By Mr. PACKWOOD, from the Committee on Finance:

M. Alan Woods, of the District of Columbia, to be a Deputy United States Trade Representative, with the rank of Ambassador.

(The above nomination was reported from the Committee on Finance with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH:

S. 1827. A bill to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

By Mr. LUGAR (by request):

S. 1828. A bill to implement the Inter-American Convention on International Commercial Arbitration; to the Committee on Foreign Relations.

By Mr. RIEGLE:

S. 1829. A bill to establish the U.S. Trade Data Bank, the Intragovernmental Council on Economic and Trade Data, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CHILES:

S. 1830. A bill to provide that court for the southern district of Florida shall be held in Naples, FL; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. KASTEN, Mr. DODD, Mr. BOSCHWITZ, Mr. INOUE, Mr. HATFIELD, Mr. LAUTENBERG, Mr. PACKWOOD, Mr. HEINZ, and Mr. KENNEDY):

S. 1831. A bill to amend the Arms Export Control Act to require that congressional vetoes of certain arms export proposals be enacted into law; to the Committee on Foreign Relations.

By Mr. STEVENS:

S. 1832. A bill to authorize the establishment of a Merchant Ship Revolving Fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 1833. A bill to authorize the establishment of a Merchant Ship Revolving Fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KERRY (for himself, Mr. SIMON, Mr. HOLLINGS, Mr. BURDICK, Mr. DOLE, Mr. CHAFFEE, Mr. BRADLEY, Mr. ZORINSKY, Mr. GRASSLEY, Mr. COHEN, Mr. STENNIS, Mr. CRANSTON, Mr. COCHRAN, Mr. WEICKER, Mr. MATSUNAGA, and Mr. PACKWOOD):

S.J. Res. 230. Joint resolution to designate the week of December 1, 1985, through December 7, 1985, as "National Autism Week"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S.J. Res. 231. Joint resolution to designate the period commencing January 1, 1986, and ending December 31, 1986, as the "Centen-

nial Year of the Gasoline Powered Automobile"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 1827. A bill to amend the act entitled "An Act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

AMENDMENTS TO CHARTER OF THE GENERAL FEDERATION OF WOMEN'S CLUBS

Mr. HATCH. Mr. President, I am introducing a bill to amend the charter of the General Federation of Women's Clubs. Congressional charter was granted to the GFWC in the 56th Congress on March 3, 1901.

The General Federation of Women's Clubs is the largest and oldest non-nominational, nonpartisan, international membership service organization of volunteer women in the world with membership in the United States numbering 50,000. In 1984 alone, GFWC members donated \$50 million and 18 million hours on volunteer projects. The effect of the GFWC's work is seen around the world.

The General Federation of Women's Clubs aims at involving their members in concerns of their local community. To this end, the GFWC has sponsored seminars on child abuse, missing children, latchkey children, women in the Third World, and disposal of hazardous wastes. Such seminars provide a forum for open discussion of community and national problems and their possible solutions. The GFWC also lends its time to other service organizations like care and save the children.

A special project of the GFWC is the youth city councils. This event is a leadership training program for teenagers ages 13 to 18. Elections are held for positions on a mock city council. Once elected, these youth city councils work on projects to better their locality. One YCC in my own State of Utah reduced juvenile crime by 50 percent within their city. Many of the YCC's hold a Christmas dinner and dance for the elderly members of their community.

Because they are such an asset to our society it is urgent we help them in the best way we can. This bill will enable the GFWC to qualify for 501(c)(3) tax status. They presently hold a 501(c)(4) tax status. As a result, they would be able to apply for special third class rates of postage. The money they save on postage can be applied to many of their worthwhile projects.

The bill reads as follows:

A bill to amend the Act entitled "An Act Granting Charter to the General Federation of Women's Clubs."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act

Granting a Charter to the General Federation of Women's Clubs," approved March 3, 1901 (31 Stat. 1438, chapter 860) is amended by—

- (1) inserting "(c)" after "that";
- (2) striking the comma after "succession" and all that follows through "pleasure"; and
- (3) adding at the end thereof the following:

"(b) The General Federation of Women's Clubs shall be organized and operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 and shall otherwise liquidate and distribute its assets to organizations qualified as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 with purposes similar to those of the General Federation of Women's Clubs".

Mr. President, I urge my fellow Senators to support the amending of the General Federation of Women's Clubs charter to enable this fine organization to serve better our Nation and the world as it has for the past 95 years.

By Mr. LUGAR (by request):

S. 1828. A bill to implement the Inter-American Convention on International Commercial Arbitration; to the Committee on Foreign Relations.

IMPLEMENTATION OF THE INTER-AMERICAN CONVENTION ON INTERNATIONAL COMMERCIAL ARBITRATION

● Mr. LUGAR. Mr. President, by request, I introduce for appropriate reference a bill to implement the Inter-American Convention on International Commercial Arbitration.

This proposed legislation has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis of the bill and the letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, dated October 29, 1985, to the President of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title 9, United States Code, is amended by adding:

"CHAPTER 3. INTER-AMERICAN CONVENTION ON INTERNATIONAL COMMERCIAL ARBITRATION

"Sec.

"301. Enforcement of Convention.

"302. Incorporation by reference.

"303. Order to compel arbitration; appointment of arbitrators; locale.

- "304. Recognition and enforcement of foreign arbitral decisions and awards; reciprocity.
- "305. Relationship between the Inter-American Convention and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958.
- "306. Applicable rules of Inter-American Commercial Arbitration Commission.
- "307. Chapter 1; residual application.

"Section 301. Enforcement of Convention.

"The Inter-American Convention on International Commercial Arbitration of January 30, 1975, shall be enforced in United States courts in accordance with this chapter.

"Sec. 302. Incorporation by reference.

"The provisions of Chapter 2, sections 202, 203, 204, 205 and 207 shall apply to this chapter as if specifically set forth herein, except that for the purposes of this chapter 'the Convention' shall mean the Inter-American Convention.

"Sec. 303. Order to compel arbitration; appointment of arbitrators; locale.

"A court having jurisdiction under this chapter may direct that arbitration be held in accordance with the agreement at any place therein provided for, whether that place is within or without the United States. The court may also appoint arbitrators in accordance with the provisions of the agreement.

"In the event the agreement does not make provision for the place of arbitration or the appointment of arbitrators, the court shall direct that the arbitration shall be held and the arbitrators be appointed in accordance with Article 3 of the Inter-American Convention.

"Sec. 304. Recognition and enforcement of foreign arbitral decisions and awards; reciprocity.

"Arbitral decisions or awards made in the territory of a foreign State shall, on the basis of reciprocity, be recognized and enforced under this chapter only if that State has ratified or acceded to the Inter-American Convention.

"Sec. 305. Relationship between the Inter-American Convention and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958.

"When the requirements for application of both the Inter-American Convention and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958, are met, determination as to which Convention applies shall, unless otherwise expressly agreed, be made as follows:

"(1) If a majority of the parties to the arbitration agreement are citizens of a State or States that have ratified or acceded to the Inter-American Convention and are member States of the Organization of American States, the Inter-American Convention shall apply.

"(2) In all other cases the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958, shall apply.

"Sec. 306. Applicable rules of Inter-American Commercial Arbitration Commission.

"(a) For the purposes of this chapter the rules of procedure of the Inter-American

Commercial Arbitration Commission referred to in Article 3 of the Inter-American Convention shall, subject to subsection (b) of this section, be those rules as promulgated by the Commission on January 1, 1978.

"(b) In the event the rules of procedure of the Inter-American Commercial Arbitration Commission are modified or amended in accordance with the procedures for amendment of the rules of the said Commission, the Secretary of State, by regulation in accordance with Section 553 of Title 5, United States Code, consistent with the aims and purposes of this Convention, may prescribe that such modifications or amendments shall be effective for purposes of this chapter.

"Sec. 307. Chapter 1; residual application.

"Chapter 1 applies to actions and proceedings brought under this chapter to the extent chapter 1 is not in conflict with this chapter or the Inter-American Convention as ratified by the United States."

SEC. 2. Title 9, United States Code, is further amended by adding to the table of chapters at the beginning a new sub-heading as follows:

"3. Inter-American Convention on International Commercial Arbitration..... 301".

SEC. 3. This Act shall be effective upon the entry into force of the Inter-American Convention on International Commercial Arbitration of January 30, 1975, with respect to the United States.

SECTION-BY-SECTION ANALYSIS OF A BILL TO IMPLEMENT THE INTER-AMERICAN CONVENTION ON INTERNATIONAL COMMERCIAL ARBITRATION

Section 1. Section 1 of the bill amends Title 9 of the United States Code by addition of a new Chapter 3, consisting of sections 301 through 307. As amended, Title 9 would thus contain three chapters: Chapter 1 (sections 1-14), the original Federal Arbitration Act; Chapter 2 (sections 201-208), the implementing legislation for the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958 ("New York Convention"); and Chapter 3 (sections 301-307), implementing legislation for the Inter-American Convention on International Commercial Arbitration of January 30, 1975 ("Inter-American Convention").

Section 301. Section 301 of Title 9 parallels section 201 of the implementing legislation for the New York Convention.

Section 302. Section 302 incorporates sections 202, 203, 204, 205, and 207 of the implementing legislation for the New York Convention; the two Conventions do not differ so as to call for different measures of implementation in these respects.

The incorporation of section 202, which provides that an arbitration agreement or arbitral award arising out of a legal relationship "which is considered as commercial" falls under the Convention (as incorporated, the reference is to the Inter-American Convention), provides the basis for a broad definition of the term "commercial" for purposes of the Convention. The Convention itself provides no definition of the term, but it is the understanding of the United States that trade, investment, and other business and financial activities which bear on "foreign commerce" are considered "commercial" and are thus within the purview of the Convention.

The incorporation of section 202 also clarifies that the Inter-American Conven-

tion, like the New York Convention, shall be deemed not to apply to an arbitral agreement or award arising out of a legal relationship which is entirely between citizens of the United States, unless there is a reasonable foreign element in the relationship as defined in section 202.

The incorporation of sections 203 and 204 extends the same provisions concerning jurisdiction of the United States district courts and venue to actions or proceedings falling under the Inter-American Convention as apply to those falling under the New York Convention. Similarly, the incorporation of section 205 gives defendants the right to remove actions or proceedings relating to arbitration agreements or awards falling under the Inter-American Convention from State courts to United States district courts, as is now the case for those falling under the New York Convention.

With the incorporation of section 207, the three-year limitation period for application to a court for an order confirming an arbitral award that applies to awards falling under the New York Convention will also apply to awards falling under the Inter-American Convention. Section 207 also requires the court to confirm the award "unless it finds one of the grounds for refusal or deferral of recognition or enforcement of the award specified in the said Convention." Those grounds are specified in Article 5 of the Inter-American Convention, which was taken almost verbatim from Article V of the New York Convention in order to assure that the sole grounds for refusal of the recognition and enforcement of an award would be the same under both Conventions.

Section 303. The first paragraph of this section repeals 9 U.S.C. section 206, providing that a court may direct that arbitration be held in accordance with the agreement at any place therein provided for, whether that place is within or without the United States, and that the court may also appoint arbitrators in accordance with the provisions of the agreement. Neither the Convention nor section 303 attempts to resolve other issues which the court may be asked to address in connection with a matter which is to be submitted to arbitration.

The second paragraph of section 303 is new, reflecting Article 3 of the Inter-American Convention. Article 3 provides that when or to the extent that the parties fail to agree upon other applicable rules of procedure, arbitration shall be governed by the rules of procedure of the Inter-American Commercial Arbitration Commission, a private organization originally established in 1934 at the recommendation of the predecessor of the Organization of American States (OAS).

Neither the Federal Arbitration Act nor the New York Convention contains a comparable provision, but rather leaves the choice of rules of procedure to the court in the absence of agreement by the parties. The specification of "back-up" rules provides a desirable certainty and uniformity in the application of the Inter-American Convention.

Section 304. Section 304 provides a rule of reciprocity analogous to that applicable to the New York Convention. The latter permits a reservation, which the United States has made, that a State may on the basis of reciprocity apply the Convention to the recognition and enforcement of awards made only in the territory of another Contracting State (Article I, paragraph 3). The United States will make a comparable reservation to the Inter-American Convention, and Sec-

tion 304 has been drafted to make that reservation readily available for the reference of courts and practitioners. Also, the section has been worded in such a way as to make clear that it is intended only to be a rule of reciprocity and not a determination that arbitral decisions and awards made in the United States are excluded from the applicability of the Inter-American Convention if they otherwise fall under the Convention and the provisions of chapter 3, including in particular section 202 as incorporated in chapter 3. Litigation has been required to resolve that issue, in so far as the applicability of the New York Convention is concerned, given the less than precise wording of the two sentences of paragraph 1 and the first sentence of paragraph 3 of Article I of the New York Convention. The Inter-American Convention contains no comparable provisions; while it deals only with "international commercial arbitration," there is nothing in the language of the Convention or in the negotiating history to indicate an intent to limit the applicability of its recognition and enforcement provisions to awards made in countries other than those where recognition and enforcement are sought.

Section 305. The Inter-American Convention does not contain an express provision concerning its applicability when there is another convention on recognition and enforcement of arbitral agreements and awards which might also apply to a specific case. In particular, the United States and at least some other countries will be a party to both the Inter-American and the New York Conventions. Given the substantial identity of the two conventions, this issue is not expected to be of great consequence. However, it is nonetheless useful to resolve it explicitly in order to remove a potential ground for controversy.

The New York Convention is better established in law and in practice than the Inter-American Convention and has greater worldwide participation. The United States will therefore enter a reservation in ratifying the Inter-American Convention, to establish clearly the applicability of the New York Convention in appropriate cases.

Section 305 reflects this reservation, providing that, where both Conventions are applicable to a particular case, the United States would be bound by and apply the provisions of the Inter-American Convention only if a majority of the parties to the arbitration agreement are citizens of a State or States that have ratified or acceded to this Convention and are citizens of OAS Member States. In other cases, the United States will be bound by and apply the provisions of the New York Convention. Section 305 makes clear that, where both Conventions are potentially applicable, both parties must be citizens of OAS Member States before the Inter-American Convention would supersede the New York Convention.

Section 306. Section 306, like section 303, is necessary in order to implement the Article 3 provision of the Inter-American Convention which specifies applicable rules of procedure for cases in which the parties fail to agree on such rules. While the rules of procedure of the Inter-American Commercial Arbitration Commission are deemed useful and acceptable, the Commission is a private, nongovernmental body. It is therefore desirable that there be official review and approval of any amendments to the rules before they are made applicable to parties by law.

The United States will enter a reservation regarding article 3 that the United States

will apply the rules of procedure of the Inter-American Commercial Arbitration Commission which are in effect as of ratification, unless a later official determination is made to adopt and apply any amendments to the rules which the Inter-American Commercial Arbitration Commission may make subsequently. Section 306 provides a rulemaking procedure for making such an official determination; this procedure provides a simple and efficient mechanism for soliciting the comments of interested and expert groups and individuals in order to provide an informed basis for official judgment and determination.

Section 307. Section 307 incorporates a provision parallel to 9 U.S.C. section 208.

Section 2. Section 2 of the bill adds a new subheading to the table of chapters at the beginning of Title 9 to correspond to the new Chapter 3.

Section 3. Section 3 of the bill establishes the effective date.

U.S. DEPARTMENT OF STATE,
Washington, DC, October 29, 1985.

DEAR MR. PRESIDENT: I have the honor to transmit for the consideration of the Congress the draft of a bill to implement the obligations of the United States under the Inter-American Convention on International Commercial Arbitration. The Convention was transmitted to the Senate for its advice and consent to ratification on June 15, 1981; the instrument of ratification will be deposited with the General Secretariat of the Organization of American States once appropriate implementing legislation has been enacted. The Convention would enter into force for the United States on the thirtieth day after deposit of the instrument of ratification.

The Inter-American Convention on International Commercial Arbitration entered into force on June 16, 1976. At present, Chile, Costa Rica, El Salvador, Honduras, Mexico, Panama, Paraguay and Uruguay are parties. Consistent with the longstanding United States policy to facilitate the use of arbitration as a means of resolving international commercial disputes, this Convention will provide an opportunity to secure wider benefits of recognition and enforcement of international commercial arbitration agreements and awards among a greater number of countries in this hemisphere.

The Inter-American Convention on International Commercial Arbitration is modeled after the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, to which the United States became a party in 1970. The draft bill to implement the Inter-American Convention is similarly modeled after, and incorporates in large part, the legislation which implements the New York Convention, 9 U.S.C. 201-208. Several new provisions are incorporated in the draft bill, however, in order to clarify the sphere of application of the Inter-American Convention and to safeguard its provisions respecting arbitral procedures; these are described more fully in the section-by-section analysis which accompanies this letter.

HON. GEORGE BUSH,
President, U.S. Senate.

The draft bill is identical to the bill which was introduced, by request, in the House of Representatives on September 14, 1983 by Chairman Rodino (H.R. 3894) and in the Senate on July 21, 1983 by then Chairman Percy (S. 1658).

The Inter-American Convention on International Commercial Arbitration has re-

ceived the support of a large number of interested and representative organizations, including the American Bar Association, the American Arbitration Association, the United States Chamber of Commerce, the Association of American Chambers of Commerce in Latin America, the American Foreign Law Association, and a number of state and local bar associations. Experts from the American Arbitration Association and American Bar Association have reviewed the proposed legislation and have advised that they consider it satisfactory.

Prompt approval of this implementing legislation will permit United States citizens and concerns seeking enforcement of commercial arbitration agreements and awards to enjoy the benefit of this Convention among the countries which are parties, and may encourage more rapid and widespread ratification by other countries as well.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal to the Congress, and that its enactment would be in accord with the program of the President.

With best wishes,
Sincerely,

WILLIAM L. BALL III,
Assistant Secretary,
Legislative and
Intergovernmental Affairs.●

By Mr. RIEGLE:

S. 1829. A bill to establish the U.S. Trade Data Bank, the Intragovernmental Council on Economic and Trade Data, and for other purposes; to the Committee on Governmental Affairs.

UNITED STATES TRADE DATA BANK ACT

Mr. RIEGLE. Mr. President, I am introducing today the U.S. Trade Data Bank Act of 1985, which would establish an effective system for providing U.S. firms and decisionmakers with the strategic information now needed for full competitiveness in the world marketplace.

In recent years, as the U.S. position in world trade has been collapsing, we have been forced to recognize a number of weaknesses in the ways we have been used to doing business in this country. An important weakness, one that is a clear failure of the Federal Government, is the inadequacy of information that U.S. firms and policymakers have regarding foreign and domestic economies, markets, commerce, and technologies.

Too often, trade negotiators from Japan and other advanced industrial nations have come with information on the United States economy and their own economies that is far superior to information available to United States negotiators. Many foreign governments equip their private industries with vital commercial information that repeatedly has helped foreign competitors gain the edge over American firms.

The U.S. Government collects vast amounts of economic data, but we simply have never given high priority to the creation of a trade data system that could be a strategic resource for

U.S. firms in international competition, a system that could quickly reveal international changes that provide opportunities or dangers to American producers.

Instead, responsibility for data gathering has been scattered among numerous, disparate agencies—the Bureau of the Census, the Bureau of Labor Statistics, the International Trade Commission, the U.S. Trade Representative's Office, and many other offices throughout the Federal Government. In recent years, OMB has eliminated a number of important data-gathering activities for reasons that are narrow and shortsighted.

No wonder then, when U.S. firms seek information to help them compete, they often find it is unavailable, unusable, or difficult to access.

Mr. President, U.S. firms and workers can create a competitive advantage in the dynamic world economy only by being quicker and smarter than others in responding to international changes in economic policies, consumer markets, products and process technologies. That is true for established industries as well as new ones.

There is simply no excuse for this Government not to provide U.S. competitors with the highest quality and most timely commercial data in the world.

The U.S. Trade Data Bank Act would take a major step to do just that.

The bill would place within a single, top-level office the responsibility for providing this Nation with a superior trade data system. The U.S. Trade Representative [USTR], within the Executive Office of the President, would be given the clear responsibility for creating a national trade data bank offering information that is comprehensive, accurate, timely, and accessible to U.S. firms, labor, and public policymakers.

The bill would direct USTR to consult broadly with private industry and labor, using the existing private-sector advisory network, to identify economic and trade information needed by U.S. participants in international commerce and to develop ways to make that information most accessible and useful.

The bill would establish an Intragovernmental Council on Economic and Trade Data, a mechanism through which Federal agencies could cooperate to make Federal data systems more coherent, comparable, efficient, and useful.

The U.S. Trade Data Bank would build upon and enhance the data collection and dissemination systems now operated by the Departments of Commerce, Labor, Agriculture, State, and Treasury, as well as by the Federal Reserve Board and other Federal agencies. It would neither duplicate nor disrupt those ongoing activities.

This bill would provide at the top of our Government an ongoing, comprehensive assessment of our national system for providing data that is useful in international trade. It provides a way for us to create a U.S. trade data system that would be not only adequate to the intense foreign trade challenge but the very best in the world.

I believe this bill is prudent and badly needed. I urge my colleagues to join me as cosponsors.

By Mr. CHILES:

S. 1830. A bill to provide that court for the Southern District of Florida shall be held in Naples, FL; to the Committee on the Judiciary.

PROVIDING FOR HOLDING COURT IN NAPLES, FL FOR THE SOUTHERN DISTRICT OF FLORIDA

● Mr. CHILES. Mr. President, today I am introducing legislation to designate the city of Naples as a place of holding Federal court in Florida's Southern District. This designation is both necessary and timely.

For years the people of Naples and surrounding areas have had to travel over 200 miles in order to serve jury duty or conduct business in Federal court in Miami. This has made their access to Federal court both expensive and inconvenient.

As southwest Florida continues to outpace the Nation in growth, this problem is obviously going to affect more and more people. According to statistics from the U.S. Bureau of the Census, Florida will be the third largest State in population by the year 2000. Much of this new growth is expected to be centered in the Southern District of Florida. The Florida Governor's Office of Planning and Budgeting predicted recently in Florida Trend magazine that Collier County, which includes Naples, would grow approximately 74 percent in the next 15 years.

It would not be prudent to wait until the situation reaches critical proportions to act, especially when circumstances in the area are ripe for immediate action. After Naples has been designated as a place of holding court, the Federal Government must either find appropriate space in existing facilities or construct a building in which court can be held.

Since Collier County is in the process of developing a new judicial center, it may be possible to include the needed space in the new facility. This could save time and money for both the residents and the Federal Government.

The proposal to designate Naples as a place of holding court is supported by the bench of the Southern District, area bar associations, and the residents of Naples and surrounding areas. I urge my colleagues to support this essential legislation.●

By Mr. CRANSTON (for himself, Mr. KASTEN, Mr. DODD, Mr. BOSCHWITZ, Mr. INOUE, Mr. HATFIELD, Mr. LAUTENBERG, Mr. PACKWOOD, Mr. HEINZ, and Mr. KENNEDY):

S. 1831. A bill to amend the Arms Export and Control Act to require that congressional vetoes of certain arms exports proposals be enacted into law; to the Committee on Foreign Relations.

ARMS EXPORTS CONTROL ACT AMENDMENTS

Mr. CRANSTON. Mr. President, I am today joining with a bipartisan group of cosponsors to introduce a small but important procedural amendment to the Arms Export Control Act [AECA]. This measure, cosponsored by Senators KASTEN, DODD, BOSCHWITZ, INOUE, HATFIELD, LAUTENBERG, PACKWOOD, KENNEDY, and HEINZ, would simply restore the provision in law providing expedited procedures for resolutions of disapproval introduced pursuant to section 36(b) of the AECA.

Our proposal would not grant Congress any new powers in this area. The AECA already provides for expedited procedures for concurrent resolutions. Since the 1981 Supreme Court decision in the Chadha case rejecting the legislative veto, Congress has employed joint resolutions of disapproval as means of manifesting opposition to a particular sale. The problem—which we faced recently on the Jordan arms resolution and which we may face again next February if Senators choose to push a resolution that would bar a Jordan sale—is that while a concurrent resolution of disapproval enjoys expedited procedures preventing filibusters, a joint resolution does not.

The AECA provisions of section 36(b) for arms export reviews work best when Congress can proceed in a deliberate and timely manner. For this reason, I hope that our colleagues will join with us in supporting this important proposal to clarify procedural safeguards. It should be noted that our legislation is drafted to include expedited procedures for resolutions introduced pursuant to sections of the AECA which effect leasing and private arms transfers.

It is my intention to work in a bipartisan spirit with the leadership of the Senate Foreign Relations Committee so that we might have prompt consideration of this measure. This would enable the full Senate to act on the legislation before we recess in the closing weeks of 1985.

● Mr. LAUTENBERG. Mr. President, I am pleased to join in introducing this bill to provide that joint resolutions of disapproval pursuant to section 36(b) of the Arms Export Control Act be accorded expedited procedures.

The Arms Export Control Act governs the sale of weapons over a certain dollar amount by the U.S. Government to foreign countries. It provides that concurrent resolutions of disapproval of proposed arms sales must be considered in accordance with expedited procedures, thus guaranteeing that the Congress has the chance to vote to disapprove a proposed arms sale if it so chooses. In the Senate, these procedures rule out filibusters which otherwise could prevent the Senate from making its voice heard on arms sales.

In the wake of *INS versus Chadha* and other Supreme Court decisions, the constitutionality of concurrent resolutions to disapprove arms sales requests is doubtful. For this reason, the resolution of disapproval on the Jordan arms sale passed by the Senate on October 24 was a joint resolution, requiring the President's signature.

Unlike concurrent resolutions, joint resolutions are not entitled to expedited procedures under the current Arms Export Control Act. Under existing law, if a joint resolution of disapproval of the Jordan arms sale is introduced in the Senate at a future date, consideration of such a resolution could be delayed by any Senator who favors going ahead with the sale.

In order to assure the Congress of the opportunity to be heard on the issue of the Jordan arms sale and future sales, this bill provides that joint resolutions will be considered under the same expedited procedures provided for concurrent resolutions in the Arms Export Control Act. This bill preserves congressional oversight of proposed arms sales to foreign countries by assuring that Congress will have the opportunity to consider legislation disapproving arms sales.

Mr. President, I hope the Senate can approve this bill quickly. ●

Mr. KENNEDY. Mr. President, I rise in strong support of this legislation to provide expedited procedures for congressional consideration of administration proposals to sell defense articles or services to foreign or international entities.

Section 36(b) of the Arms Control Export Control Act of 1976 was originally drafted to provide the Congress the opportunity to consider such legislation in an expedited fashion. The Supreme Court's decision in the *Chadha* case held that the earlier congressional review procedures were unconstitutional. Two years have gone by and the Senate has yet to review the statutes affected by that decision. Now that the Senate has an issue before it which is directly affected by *Chadha*, we ought to act in a responsible manner and enact the piece of legislation before us.

It is no secret that the impetus for this legislation is the current debate over the administration's request for almost \$2 billion in sophisticated arms

to Jordan. Last October, I introduced Senate Joint Resolution 223 cosponsored by 74 Senators opposing that sale. And the Senate has recently voted 97-1 to postpone the arms sales until March 1, 1986. Clearly, an overwhelming majority of the Senate has a deep interest in the issue of arms sales to Jordan.

The issue here also raises the question of whether the Senate should be afforded the opportunity to act quickly on an arms sales request. I believe it is essential that the Senate be allowed to act in a prompt manner in so crucial a matter as a major arms sales request.

We are all aware that a minority of the Senate is able to hold up certain business items upon which the majority of the Senate may wish to act. In this particular instance, such an obstruction is not justifiable.

This legislation provides a needed revision of the current statute and I urge my colleagues to support this important peace of legislation.

By Mr. STEVENS:

S. 1832. A bill to authorize the establishment of a merchant ship revolving fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 1833. A bill to authorize the establishment of a merchant ship revolving fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE BUILD AND CHARTER PROGRAM

● Mr. STEVENS. Mr. President, today I am introducing two bills at the request of the shipbuilders Council of America and the Council of American-Flag ship operators to implement a build and charter program which would authorize the Secretary of the Navy to construct militarily useful vessels for charter or lease to commercial vessel operators. There is no unanimous agreement within the industry as to the approach which should be taken to implement this program, yet I believe there is unanimous agreement that the U.S.-flag fleet is in serious decline, and that immediate action is necessary to reverse this trend.

It is my intention to hold hearings in the Merchant Marine Subcommittee on these bills, and to proceed to markup before the full Commerce committee as soon as all parties have had adequate opportunity to consider these measures and, ideally, agree among themselves.

On July 23 of this year I introduced two bills at the request of the administration. S. 1481 would provide authority for subsidized U.S.-flag operators to construct or acquire vessels outside the United States and still be eligible to receive operating differential subsidies. S. 1482 would eliminate the requirement that foreign built or rebuilt vessels be documented under U.S. law for 3 years before they are eligible to

carry cargoes reserved under the Cargo Preference Act of 1954.

The bills I am introducing today were submitted as a result of meetings held by Senator INOUÉ and me with merchant marine industry representatives, concerning S. 1481, S. 1482 and the Build and Charter Program. Sea Land submitted comments outlining an alternative proposal designed to reduce reliance on subsidies. Under this proposal ODS liner operators would be allowed to build vessels in foreign shipyards, but would be precluded from ODS subsidy payments.

Also discussed at these meetings was a modified operating differential subsidy program referred to as the Seamen's Wage Adjustment Payment Program [SWAP]. As yet, no consensus has been reached within the merchant marine industry on whether to proceed with a SWAP Program. I hope that an agreement concerning the SWAP Program, the Sea Land proposal, and the concepts embodied in S. 1481 and S. 1482 may soon be reached. Because no decision was reached on this issue, I have deleted the subsection in the Council of American-Flag Ship Operators bill which predicated build and charter upon passage of SWAP legislation.

Although the bills I am introducing today differ in approach, each would establish a new revolving fund to finance the construction of militarily useful commercial ships to supplement the national defense Reserve fleet. Under these bills, the Secretary of the Navy would be authorized to lease or charter the ships built through the fund to U.S. commercial operators for use in the foreign trade, initially through the transfer of \$852,300,000 from the unobligated balances of prior year shipbuilding appropriations. These funds were earmarked for this purpose in the 1986 defense appropriations bill as reported by the Defense Appropriations Committee.

The concept of "build and charter" is patterned after President Eisenhower's Mariner Program to construct ships for commercial operation which may be adapted quickly in the event of a national emergency. The demand for such a program has never been more apparent. In general, there is an excess of commercial tonnage on the world economy, yet there is a severe shortage of U.S.-flag commercial vessels which are of the size, capacity, and speed required for military sealift. There are less than half the number of U.S.-flag carrier ships which are adaptable for military sealift as existed in the commercial fleet just a decade ago.

To redress this deficiency, over the last 2 years the Navy has procured commercial ships for retention in the inactive status for the Ready Reserve Fleet. While this approach has partial-

ly alleviated tonnage shortfalls, these ships will require extensive work before reactivation. This work will be above and beyond the current \$100,000,000 annual expense to retain the ships in a "ready reserve" status. Furthermore, the utility of this concept is dependent upon the immediate availability of experienced crews to meet wartime contingency sealift plans. The worldwide decline of U.S.-flag carried exports has depleted the ranks of experienced seamen to the point where it is doubtful that skilled crews could be assembled for Ready Reserve Fleet duty within a reasonable timeframe.

A resurgence of the Mariner Program would augment essential sealift assets in an operational ready reserve status. This approach would add tonnage for sealift, eliminate the need for immediate recruitment of experienced crews, avoid the expense of maintaining additional, inactive sealift assets, and efficiently employ ships in the commercial trade.

The bills give the Secretary of the Navy the flexibility to determine the appropriate vessel designs for the Build and Charter Program. Ships constructed through the fund would be adaptable to military sealift needs and built in domestic shipyards. Primary consideration would be given to constructing vessels capable of cost-efficient commercial operation.

Mr. President, I am committed to working out a viable Build and Charter Program. While I do not endorse any of these specific proposals, I hope that all interested parties will move quickly to present their views and join us in this effort to move forward. To be a viable program I believe that build and charter must produce commercially competitive vessels. The vessels constructed under this program will not be allowed to operate in the coastwise trade. The program will be administered by the Secretary of the Navy in a manner which guards against granting any competitive advantage to one U.S.-flag vessel operator over any other and against further creation of overtonnaging problems in the foreign trade.

I want to emphasize that the moneys which would be used to initially capitalize the build and charter revolving fund are currently available; no additional appropriations would be necessary to implement this program.

Several maritime interests have not had the opportunity to participate in the drafting of these proposals, and I would hope all concerned will get together in an effort to reach an industry consensus on a Build and Charter Program. I hope that we in the Congress, working with those in the merchant marine industry, take advantage of this opportunity to implement a Build and Charter Program to develop

and maintain an efficient, competitive U.S.-flag merchant marine. ●

By Mr. KERRY (for himself, Mr. SIMON, Mr. HOLLINGS, Mr. BURDICK, Mr. DOLE, Mr. CHAFEE, Mr. BRADLEY, Mr. ZORINSKY, Mr. GRASSLEY, Mr. COHEN, Mr. STENNIS, Mr. CRANSTON, Mr. COCHRAN, Mr. WEICKER, Mr. MATSUNAGA, and Mr. PACKWOOD):

S.J. Res. 230. Joint resolution to designate the week of December 1 through December 7, 1985, as "National Autism Week"; to the Committee on the Judiciary.

NATIONAL AUTISM WEEK

● Mr. KERRY. Mr. President, today I rise to introduce a joint resolution which will designate December 1 through December 7, 1985, as "National Autism Week."

Autism is a lifelong brain disorder that afflicts over 350,000 children and adults throughout the United States. It is a disability that prevents proper understanding of what a person sees, hears, or otherwise senses. It causes severe problems in learning, communicating, and behavior. Because autism is brain disorder that does not result in any obvious physical impairments, much of our society believes the myth that autism is a form of mental illness. The purpose of this joint resolution is to dispell all myths associated with autism by educating the American public of the realities regarding autism.

I chose the week of December 1 through December 7 to address the issue of autism, as it coincides with the 20th anniversary of the National Society for Children and Adults with Autism [NSAC]. Over the years, NSAC and other committed individuals and organizations have waged an all out effort on behalf of those afflicted with this neurological disorder to help bring autistic individuals educational and medical assistance. These dedicated individuals have also worked to increase the public awareness and understanding of this distressing disability.

Because there still exists a great need to further educate the general public on this incapacitating lifelong disability, and because there exists the need for continued research in the search for a cure for autism, I have decided to introduce this joint resolution. Mr. President, I strongly urge my colleagues to join with me and the many other cosponsors in designating December 1 through December 7 as "National Autism Week." ●

By Mr. RIEGLE (for himself and Mr. LEVIN):

S.J. Res. 231. Joint resolution to designate the period commencing January 1, 1986, and ending December 31, 1986, as the "Centennial Year of the

Gasoline Powered Automobile"; to the Committee on the Judiciary.

CENTENNIAL YEAR OF THE GASOLINE POWERED AUTOMOBILE

● Mr. RIEGLE. Mr. President, today along with my colleague from Michigan Mr. LEVIN, I am introducing a joint resolution to declare 1986 the Centennial Year of the Gasoline Powered Automobile. This is an especially significant date given the common history that my State shares with the automobile.

From a very tentative beginning in Europe in 1886, when the first motor vehicle powered by an internal combustion engine was successfully patented to today's production of millions of vehicles per year using computers, lasers, and robots, the story of the automobile is in a very real sense the story of this country in the 20th century.

In 1908, Henry Ford realized, perhaps before anyone else, the potential that the automobile held to transform out Nation. The first mass produced automobile, the Model T, was marketed to the general public for \$950. By 1914, a quarter of a million cars had been produced, the price had fallen to \$450, and the automobile had taken a permanent place in our society. At the same time that the automobile was taking its place in our lives, Henry Ford was the first to share his success with his workers in the form of wages above the prevailing national average.

The automobile has given this Nation some of the most prodigious industrial and labor geniuses in our history. In addition to Ford, the names Durant, Mott, Sloan, and Ruether all are known as people who helped to build our industrial strength. The industry continues to produce leaders that are envied in other areas of production; Iacocca, Caldwell, Smith, and Fraser immediately come to mind in this respect.

The automobile industry is truly one of the most important segments of the manufacturing base in the United States. Domestic car production totals 8.7 million units. Almost 900,000 people depend directly on the automobile industry for jobs, with 1 in 6 of all jobs related to car production.

The influence of the automobile is seen not only in the United States, but throughout the world. Henry Ford's idea to give people the ability to travel whenever and virtually wherever they want has found ready acceptance in all countries. In a very real sense, the automobile industry is a key thread in the economic fabric which ties nations together.

It would be difficult to imagine this world without automobiles, yet it is even more difficult to believe that it has been only 100 years since its invention. I hope that all of my colleagues will join us in cosponsoring this joint

resolution and paying tribute in a small way to the automobile.●

ADDITIONAL COSPONSORS

S. 887

At the request of Mr. DOLE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 887, a bill to amend the Internal Revenue Code of 1954 to extend the deduction for expenses incurred in connection with the elimination of architectural and transportation barriers for the handicapped and elderly.

S. 974

At the request of Mr. WEICKER, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 974, a bill to provide for protection and advocacy for mentally ill persons.

S. 1223

At the request of Mr. ARMSTRONG, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 1223, a bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1230

At the request of Mr. MATHIAS, the names of the Senator from Vermont [Mr. LEAHY] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 1230, a bill to amend the patent laws implementing the Patent Cooperation Treaty.

S. 1250

At the request of Mr. HEINZ, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Illinois [Mr. DIXON], the Senator from North Dakota [Mr. BURDICK], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 1250, a bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs tax credit for 5 years, and for other purposes.

S. 1317

At the request of Mr. RIEGLE, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1317, a bill to amend title XVIII of the Social Security Act to treat certain osteopathic hospitals as rural referral centers for purposes of payment under the prospective payment system.

S. 1328

At the request of Mr. SIMON, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1328, a bill to strengthen programs under title III of the Higher Education Act of 1965, relating to institutional aid, and for other purposes.

S. 1647

At the request of Mr. LAUTENBERG, the name of the Senator from California [Mr. WILSON] was added as a co-

sponsor of S. 1647, a bill to amend the Tariff Act of 1930 to enhance the protection of intellectual property rights.

S. 1661

At the request of Mr. HEINZ, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1661, a bill to amend the Internal Revenue Code of 1954 to exempt certain emergency medical transportation from the excise tax on transportation by air.

S. 1679

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1679, a bill to strengthen provisions of the law that provide safeguards when imports threaten to impair the national security.

S. 1778

At the request of Mr. BENTSEN, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of S. 1778, a bill to deny most-favored nation trade treatment to any country that provides support for acts of terrorism.

S. 1797

At the request of Mr. HART, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1797, a bill to call for a multilateral conference, under the auspices of the International Monetary Fund, to seek a new international monetary regime within a flexible exchange rate structure; to assist the development of the private sectors of Less Developed Countries and increase demand for United States exports; to strengthen the General Agreement on Tariffs and Trade and reform United States trade laws; to assist American industries in improving their competitive posture in international markets; and to provide transition assistance to workers and firms in response to changing global economic conditions.

S. 1815

At the request of Mr. HATCH, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1815, a bill to prevent the denial of employment opportunities by prohibiting the use of lie detectors by employers involved in or affecting interstate commerce.

S. 1822

At the request of Mr. THURMOND, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 1822, a bill to amend the Copyright Act in section 601 of title 17, United States Code, to provide for the manufacturing and public distribution of certain copyrighted material.

SENATE JOINT RESOLUTION 130

At the request of Mr. QUAYLE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Joint Resolution 130, a joint resolution designating the week beginning on November 10, 1985, as "Na-

tional Blood Pressure Awareness Week."

SENATE JOINT RESOLUTION 184

At the request of Mr. DENTON, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of Senate Joint Resolution 184, a joint resolution to authorize the Korean War Memorial, Inc. to erect a memorial in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 198

At the request of Mr. MATHIAS, the name of the Senator from Connecticut [Mr. WEICKER] was added as a cosponsor of Senate Joint Resolution 198, a joint resolution to designate the year of 1986 as the "Sesquicentennial Year of the National Library of Medicine."

SENATE JOINT RESOLUTION 199

At the request of Mr. MURKOWSKI, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Joint Resolution 199, a joint resolution to designate the month of November 1985 as "National Elks Veterans Remembrance Month."

SENATE JOINT RESOLUTION 202

At the request of Mr. HATCH, the names of the Senator from Illinois [Mr. SIMON], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Joint Resolution 202, a joint resolution designating November 1985 as "American Liver Foundation National Liver Awareness Month."

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE CONCURRENT RESOLUTION 69

At the request of Mr. DANFORTH, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Concurrent Resolution 69, a concurrent resolution to recognize the National Camp Fire Organization for 75 years of service.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. D'AMATO, the names of the Senator from Alaska [Mr. MURKOWSKI], the Senator from Massachusetts [Mr. KERRY], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Concurrent Resolution 83, a concurrent resolution expressing the sense of the Congress that Federal tax reform legislation not take effect until its date of enactment, but in no case earlier than July 1, 1986.

SENATE RESOLUTION 174

At the request of Mr. GORE, the name of the Senator from West Vir-

ginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Resolution 174, a resolution expressing the sense of the Senate with respect to the proposed closing and downgrading of certain offices of the Social Security Administration.

SENATE RESOLUTION 209

At the request of Mr. HEINZ, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Resolution 209, a resolution expressing the sense of the Senate in opposition to the repeal of the Historic Rehabilitation Tax Credit.

SENATE RESOLUTION 227

At the request of Mr. LUGAR, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Resolution 227, a resolution urging a joint United States-Soviet effort to achieve worldwide disease immunization by 1990.

At the request of Mr. PELL, the names of the Senator from South Dakota [Mr. ABDNOR], the Senator from Delaware [Mr. BIDEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Rhode Island [Mr. CHAFEE], the Senator from California [Mr. CRANSTON], the Senator from Connecticut [Mr. DODD], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Nebraska [Mr. EXON], the Senator from Washington [Mr. GORTON], the Senator from Colorado [Mr. HART], the Senator from Oregon [Mr. HATFIELD], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Massachusetts [Mr. KERRY], the Senator from Vermont [Mr. LEAHY], the Senator from Maryland [Mr. MATHIAS], the Senator from Ohio [Mr. METZENBAUM], the Senator from South Dakota [Mr. PRESSLER], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Illinois [Mr. SIMON], the Senator from Vermont [Mr. STAFFORD], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Resolution 227, *supra*.

AMENDMENTS SUBMITTED

INCREASE IN PUBLIC DEBT LIMIT

CHILES (AND OTHERS) AMENDMENT NO. 961

Mr. CHILES (for himself, Mr. RIEGLE, Mr. KENNEDY, Mr. DURENBERGER, Mr. HEINZ, Mr. BAUCUS, and Mr. CHAFEE) proposed an amendment to amendment No. 957 proposed by Mr. PACKWOOD (and Mr. DOMENICI) to the amendment of the House to the amendment of the Senate numbered 2,

to the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt; as follows:

On page 41, strike out lines 19 through 21 and insert the following:

(iv) For purposes of this Section, all payments made under Title XVIII of the Social Security Act for items or services furnished during any fiscal year shall be treated as payments under a provision of law which requires an automatic spending increase to take effect during such fiscal year. The amount of the automatic spending increase (outlay increase) shall be the amount (if any) by which the reasonable cost, reasonable charge, DRG payment amount, or other applicable payment amount for an item or service furnished in such fiscal year exceeds such payment amount for the same item or service furnished in the preceding fiscal year by the same person or entity.

(v) Notwithstanding any other provision of this bill, Medicare payments under the Hospital Insurance Program (20-8005-0-7-572) and the Supplemental Medical Insurance Program (20-8004-0-7-572) shall be considered automatic spending increase programs under Section 204(d)(1).

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES AP- PROPRIATION, 1986

FORD AMENDMENT NO. 962

(Ordered to lie on the table.)

Mr. FORD submitted an amendment intended to be proposed by him to the bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 14, lines 5-9 by reinserting the following House language: and \$2,000,000 to assist local communities to protect Mammoth Cave National Park from ground water pollution: *Provided*, That the National Park Service share of the Mammoth Cave protection project shall not exceed 25 per centum:

INCREASE IN PUBLIC DEBT LIMIT

RIEGLE (AND OTHERS) AMENDMENT NO. 963

Mr. RIEGLE (for himself, Mr. CHILES, Mr. KENNEDY, Mr. EXON, and Mr. METZENBAUM) proposed the following amendment to amendment No. 960 proposed by Mr. PACKWOOD (and Mr. DOMENICI) to the amendment of the House to the amendment of the Senate numbered 2 to the joint resolution (H.J. Res. 372), *supra*; as follows:

On page 14, beginning with line 14, strike out all through line 11 on page 72, and insert in lieu thereof the following:

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1985, \$171,900,000,000;

"(B) with respect to the fiscal year beginning October 1, 1986, \$144,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1987, \$108,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1988, \$72,000,000,000;

"(E) with respect to the fiscal year beginning October 1, 1989, \$36,000,000,000; and

"(F) with respect to the fiscal year beginning October 1, 1990, zero.

"(8) The term 'off-budget Federal entity' means any entity—

"(A) established by Federal law, and

"(B) the budget outlays of which are required by law to be excluded from the totals of—

"(i) the budget of the United States Government submitted by the President pursuant to section 1105 of title 31, United States Code, and

"(ii) the budget adopted by the Congress pursuant to title III of this Act.

"(9) The term 'credit authority' means authority to incur direct loan obligations or to incur primary loan guarantee commitments."

(c) RECONCILIATION.—

(1) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(A) DIRECTIONS TO COMMITTEES.—Section 301(b) of the Congressional Budget Act of 1974 is further amended—

(i) by striking out "may also require" in the matter preceding paragraph (1) and inserting in lieu thereof "shall also, to the extent necessary to comply with subsection (c)";

(ii) by inserting "require" after the paragraph designation in paragraph (1);

(iii) by inserting "require" after the paragraph designation in paragraph (2); and

(iv) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following new paragraph:

"(1) specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a);"

(B) CONFORMING CHANGES.—

(i) Section 310(a) of such Act is amended—

(I) by inserting "or" at the end of paragraph (2);

(II) by striking out "or" at the end of paragraph (3) and inserting in lieu thereof a period; and

(III) by striking out paragraph (4).

(ii) Section 310(d) of such Act is amended by striking out "subsection (c)" and all that follows through "year" and inserting in lieu thereof "subsection (b) with respect to a concurrent resolution on the budget adopted under section 301(a) not later than June 15 of each year".

(iii) Subsections (e) and (f) of section 310 of such Act are amended by striking out "subsection (c)" each place it appears and inserting in lieu thereof "subsection (b)".

(2) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—

(A) IN GENERAL.—Section 304(a) of such Act (as redesignated by paragraph (2)(A) of subsection (b)) is amended by adding after the period the following new sentence: "Any concurrent resolution agreed to under this section shall specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a) to the extent necessary to comply with subsection (b)."

(B) CONFORMING CHANGE.—Section 310(d) of such Act (as amended by paragraph (1)(B) of this subsection) is further amended by adding at the end thereof the following new sentence: "Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (b) with respect to a concurrent resolution on the budget adopted under section 304(a)

not later than 30 days after the adoption of the concurrent resolution."

(d) LIMITATION ON AMENDMENTS.—

(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—

(A) HOUSE OF REPRESENTATIVES.—Section 305(a) of such Act is amended to read as follows:

"PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET

"SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.—

"(1) When the Committee on the Budget of the House has reported any concurrent resolution on the budget, it is in order at any time after the fifth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution by the Committee on the Budget has been available to Members of the House and, if applicable, after the first day (excluding Saturdays, Sundays, and legal holidays) following the day on which a report upon such resolution by the Committee on Rules pursuant to section 301(c) has been made available to Members of the House (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(2) General debate on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, plus such additional hours of debate as are consumed pursuant to paragraph (3). A motion further to limit debate is not debatable. A motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

"(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

"(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

"(5) Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be considered for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final

passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

"(6) Debate in the House of Representatives on the conference report on any concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

"(7)(A) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in such concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply if a declaration of war by the Congress is in effect."

(B) SENATE.—Section 305(b)(2) of such Act is amended—

(i) by inserting "(A)" before the paragraph designation; and

(ii) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply if a declaration of war by the Congress is in effect."

(2) RECONCILIATION BILLS AND RESOLUTIONS.—Section 310 of such Act is amended by inserting after subsection (b) (as redesignated by subsection (a)(1)(C)) the following new subsection:

"(c) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

"(1)(A) It shall not be in order in the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution, or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution, unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the most recent-

ly agreed to concurrent resolution on the budget is not exceeded, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof, except that a motion to strike a provision shall always be in order.

"(B) In the House of Representatives, no provision shall be reported in any reconciliation bill, or be in order as an amendment thereto, which is not related to achieving the purposes of the directives to committees contained in the most recently agreed to concurrent resolution: *Provided*, That nothing in this subparagraph shall be construed to prevent the consideration of any provision in a reconciliation bill or, or any amendment thereto, which only achieves savings greater than those directed of a committee, or to prevent the consideration of motions to strike made in order by the Committee on Rules to achieve the purposes of the directives. For the purposes of this paragraph, a provision shall be considered related to achieving the purposes of directives contained in the most recently agreed to budget resolution if it is estimated by the Committee on the Budget, in consultation with the Congressional Budget Office, to effectuate or implement a reduction in budget authority or in new spending authority described in section 401(c)(2)(C), or to raise revenues, or both, and, in the case of an amendment, if it is within (in whole or in part) the jurisdiction of any committees instructed in the concurrent resolution. The point of order in this subparagraph shall not apply to Senate amendments or to conference reports.

"(2) Paragraph (1) shall not apply if a declaration of war by the Congress is in effect."

(e) ENFORCEMENT.—

(1) ALLOCATIONS OF BUDGET AUTHORITY AND OUTLAYS.—

(A) REPORTING DATE FOR ALLOCATIONS.—Section 302(b) of such Act is amended by striking out "Each such committee shall promptly report" in the last sentence and inserting in lieu thereof "Each such committee, within ten days of session after the concurrent resolution is agreed to, shall report".

(B) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(i) new budget authority for any fiscal year;

(ii) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in any fiscal year; or

(iii) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for any fiscal year;

within the jurisdiction of any committee which has received an allocation of budget authority or new spending authority described in section 401(c)(2)(C) pursuant to section 302(a) of the Congressional Budget Act for a fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year.

(C) ALLOCATIONS MADE BINDING.—Section 311 of such Act is amended by redesignating subsections (a) and (b) as subsections (b) and (c), respectively, and inserting immedi-

ately after "Sec. 311" the following new subsection:

"(a) LEGISLATION SUBJECT TO POINT OF ORDER AFTER ADOPTION OF ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

"(1) IN GENERAL.—At any time after the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a) for a fiscal year, it shall not be in order—

"(A) in the Senate—

"(i) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides for budget outlays or new budget authority in excess of the appropriate allocation of such outlays or authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year; or

"(ii) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, if the amount of budget outlays or new budget authority that would be required for such year if such bill or resolution were enacted without change or such amendment were adopted would exceed the appropriate allocation of budget outlays or new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, unless such bill, resolution, or amendment was favorably reported by the Committee on Appropriations of the House involved under section 401(b)(2) along with a certification that if such bill, resolution, or amendment is enacted or adopted, the committee will reduce appropriations or take any other actions necessary to assure that the enactment or adoption of such bill, resolution, or amendment will not result in a deficit for such fiscal year in excess of the maximum deficit amount specified for such fiscal year in section 3(7); or

"(B) In the House of Representatives—

"(i) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides for new budget authority or new spending authority described in section 401(c)(2)(C) in excess of the appropriate allocation of such authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year; or

"(ii) the point of order established under subparagraph (B)(i) may be waived only by three-fifths of the Members voting for or against the waiver, a quorum being present.

"(2) ALTERATION OF 302(b) ALLOCATIONS.—At any time after a committee reports the allocations required to be made under section 302(b), such committee may report to its House an alteration of such allocations. Any such alteration of allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

"(3) EXCEPTION.—Paragraph (1) shall not apply if a declaration of war by the Congress is in effect."

(D) CONFORMING CHANGE.—Section 311(c) of such Act (as redesignated by subparagraph (C)) is amended by striking out "subsection (a)" and inserting in lieu thereof "subsections (a) and (b)".

(2) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 311(b) of such Act, as redesignated by paragraph (1)(C) of this subsection, is amended by inserting before the

period at the end thereof the following: "or, in the Senate, would otherwise result in a deficit for such fiscal year that exceeds the maximum deficit amount specified for such fiscal year in section 3(7) (except to the extent that paragraph (1) of section 301(c) or section 304(b), as the case may be, does not apply by reason of paragraph (2) of such subsection)".

(3) REPORTING REQUIREMENT EXTENDED TO CONFERENCE REPORTS.—Section 308(a) of such Act is amended by striking out "the report accompanying that bill or resolution" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "or whenever a conference report is filed in either House, the report accompanying that bill or resolution or the statement of managers accompanying that conference report".

SEC. 203. BUDGET SUBMITTED BY THE PRESIDENT.

(a) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

"(2) Subject to paragraph (3) of this subsection, the deficit set forth in the budget so transmitted for any fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

"(3) Paragraph (2) shall not apply if a declaration of war by the Congress is in effect."

(b) REVISIONS AND SUPPLEMENTAL SUMMARIES.—Section 1106 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate."

SEC. 204. EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.

(a) REPORTING OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(1) IN GENERAL.—The Director of the Office of Management and Budget and the Director of the Congressional Budget Office (hereafter in this section referred to as "the Directors") shall, with respect to any fiscal year (A) estimate the base levels of total revenues and total budget outlays for such fiscal year, (B) determine whether the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such excess is statistically significant, and (C) estimate the rate of real economic growth that will occur during such fiscal year and the rate of economic growth that will occur during each quarter of such fiscal year. The Directors jointly shall issue a report to the Comptroller General on December 10 of the fiscal year beginning October 1, 1985, and on September 15 preceding each succeeding fiscal year identifying the amount of any excess, stating whether such

excess is statistically significant, specifying the estimated rate of real economic growth for such fiscal year and for each quarter of such fiscal year, and specifying the uniform percentage by which automatic spending increases shall be reduced during such fiscal year and the uniform percentage by which controllable expenditures shall be reduced during such fiscal year in order to eliminate any such excess. In the event that the Directors are unable to agree on an amount to be set forth with respect to any item in any such report, the amount set forth for such item in such report shall be the average of the amounts proposed by each of them with respect to such item. The Directors shall make such report public on the day on which it is transmitted to the Comptroller General. The Comptroller General shall consider the report issued by the Directors for a fiscal year and, with due regard for the data, assumptions, and methodologies used in reaching the conclusions set forth therein, the Comptroller General shall issue a report to the President and the Congress not later than December 15 (for fiscal year 1986) and the September 25 preceding each fiscal year thereafter (for fiscal years 1987 through 1991), estimating the base levels of total revenues and total budget outlays for such fiscal year, identifying the amount by which the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year, stating whether such excess is statistically significant, specifying the estimated rate of real economic growth for such fiscal year and for each quarter of such fiscal year, and specifying the uniform percentage by which automatic spending increases shall be reduced during such fiscal year and the uniform percentage by which controllable expenditures shall be reduced during such fiscal year in order to eliminate any such excess. The report of the Comptroller General shall explain fully any differences between the contents of such report and the report of the Directors.

(2) EXCEPTION.—Paragraph (1) shall not apply if a declaration of war by the Congress is in effect.

(b) PRESIDENTIAL ORDER.—

(1) CONTENTS.—

(A) IN GENERAL.—Upon receipt of any report from the Comptroller General under subsection (a) of this section which identifies a statistically significant amount by which the deficit for a fiscal year will exceed the maximum deficit amount for such fiscal year, the President shall eliminate the full amount of the deficit excess by issuing an order, in accordance with subparagraph (B), that—

(i) subject to the succeeding subparagraphs, and notwithstanding the Impoundment Control Act of 1974, eliminates one-half of such excess by modifying or suspending the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce (but not below zero) the amount of the outlay increase under each such provision by a uniform percentage, and

(ii) subject to the succeeding subparagraphs, and notwithstanding the Impoundment and Control Act of 1974, eliminates one-half of such excess by sequestering from each affected program, project, or activity (as defined in the most recently enacted relevant appropriations Acts and accompanying committee reports) or from each affected account if not so defined, for funds provided in annual appropriations

Acts or, otherwise from each budget account, such amounts of budget authority, obligation limitation, other budgetary resources, and loan limitation, and by adjusting payments provided by the Federal Government, to the extent necessary to reduce the outlays for each controllable expenditure by a uniform percentage; and

shall transmit to both Houses of the Congress a message—

(iii) identifying—

(I) the total amount and the percentage by which automatic spending increases are to be reduced under clause (i) of this subparagraph;

(II) the total amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered under clause (ii) of this subparagraph with respect to controllable expenditures;

(III) the amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered with respect to each such controllable expenditure in order to reduce it by the required percentage; and

(IV) the account, department, or establishment of the Government to which each amount of budget authority, obligation limitations, loan limitations, and other budgetary resources described in clause (ii) of this subparagraph would be available for obligation; and

(iv) providing full supporting details with respect to each action to be taken under clause (i) or (ii) of this subparagraph.

Upon receipt in the Senate and the House of Representatives, the message shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(B) EXCEPTION.—If, in order to reduce by one-half the amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year, actions under subparagraph (A)(i) would require the reduction of automatic spending increases below zero, then, in order not to require such reductions below zero, the remaining amount shall be achieved through further uniform reductions under subparagraph (A)(ii).

(C) LIMITATION.—No action taken by the President under clause (i) or (ii) of subparagraph (A) shall have the effect of eliminating any program, project, or activity of the Federal Government.

(D) LIMITATION.—Any automatic spending increases modified or suspended, or any amounts of budget authority, obligation limitation, other budgetary resources, or loan limitations sequestered by an order of the President under this title are permanently cancelled, and the legal rights, if any, of persons to receive such automatic spending increases shall be deemed to be extinguished to the extent that the operation of laws providing for such increases are modified or suspended by such an order. Notwithstanding any other provision of law, any change in the Consumer Price Index or any other index measuring costs, prices, or wages (or in any component of any such index) that is not taken into account for purposes of determining the amount of an automatic spending increase (if any) for a fiscal year for which an order is issued pursuant to subparagraph (A) shall not be taken into account for purposes of determining any automatic spending increase during any fiscal year thereafter.

(E) LIMITATION.—Nothing in clause (i) or (ii) of subparagraph (A) shall be construed

to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is, or becomes, eligible for benefits under any provision of law shall be denied eligibility by reason of this title.

(F) BASE LEVELS.—

(i) IN GENERAL.—Any order issued by the President under this paragraph shall use the base levels of total revenues and total budget outlays (as defined in paragraph (11) of subsection (d)) and the uniform percentage reductions specified in the report issued by the Comptroller General pursuant to subsection (a), adjusted, as provided in clause (ii), for any laws enacted or regulations promulgated between the date the base levels for such report were established and the date of such order. The order shall also use the same economic and technical assumptions used in the report issued by the Comptroller General pursuant to subsection (a).

(ii) ADJUSTMENTS FOR INTERVENING LEGISLATION.—

(I) With respect to legislation enacted or regulations promulgated after an estimation of base levels under subsection (a)(1) for a fiscal year but before the date of the report of the Comptroller General under such subsection for such fiscal year and which have budgetary impact, the Directors shall transmit to the Comptroller General on September 24 a joint report estimating the budgetary impact of such legislation or regulations. On September 25, the Comptroller General shall transmit to the President and to the Congress a report estimating the cost of such legislation or regulations, with due regard for the contents of the Directors' report, and stating his reasons for any divergence therefrom.

(II) With respect to legislation enacted or rules promulgated after the date of the report of the Comptroller General under subsection (a)(1) for a fiscal year but before the date of an order issued under subsection (b)(1) for such fiscal year and which have budgetary impact, the Directors shall transmit to the Comptroller General on each day on which legislation is enacted or rules are promulgated a joint report estimating the budgetary impact of such legislation or regulations. On the same day on which the Directors' report is received, the Comptroller General shall transmit to the President and to the Congress a report estimating the budgetary impact of such legislation or regulations, with due regard for the contents of the Directors' report, and stating his reasons for any divergence therefrom.

(G) FEDERAL PAY.—For purposes of any order issued under subparagraph (A), Federal pay under statutory pay systems (within the meaning of section 5301(c) of title 5, United States Code) and pay of members of the uniformed services (as defined in section 101(3) of title 37, United States Code) shall be treated as controllable expenditures and shall be subject to the uniform percentage reduction under the order; except that (i) no such order may reduce the rate of pay (in the case of a civilian officer or employee of the Government) or the rate of basic pay (in the case of a member of the uniformed services) to which any individual is entitled on the effective date of the order under any such statutory pay system or title 37, United States Code, as the case may be, and (ii) any increase in such rates of pay or rates of basic pay which is scheduled to take effect under section 5305 of title 5, United States Code, section 1009 of title 37, United States Code, or any other provision of law may be

reduced under such order only by the uniform percentage reduction.

(H) TREATMENT OF OFF-BUDGET ENTITIES.—Notwithstanding any other provision of law, outlays for each off-budget Federal entity (as defined in section 3(8) of the Congressional Budget and Impoundment Control Act of 1974) shall be subject to uniform percentage reductions under any order issued under subparagraph (A). Amounts paid by the Federal Financing Bank for the purchase of loans made or guaranteed by a department, agency, or instrumentality of the Government of the United States shall be treated as outlays of that department, agency, or instrumentality.

(I) MEDICARE PROGRAM AND ADMINISTRATIVE EXPENSES OF SOCIAL SECURITY TRUST FUNDS.—

(i) Reductions pursuant to the order issued under subparagraph (A) of this paragraph shall apply to payments under title XVIII of the Social Security Act so as to reduce all payments under such title for items or services furnished during the period of the order by the uniform percentage reduction specified in such order.

(ii) Payments which are made under such title from annual appropriations and payments for administrative expenses which are made pursuant to limitations on expenditures from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplemental Medical Insurance Trust Fund contained in annual appropriations Acts, shall be reduced for the period of the order by the uniform percentage reduction specified in the order.

(iii) The President may not, pursuant to any authority granted in this section, increase any deductible, coinsurance amount, or premium amount under such title.

(iv) This clause shall not apply to payments for clinical diagnostic laboratory tests to which section 1833(h) the Social Security Act applies.

(J) MEDICAID PROGRAM.—Reductions pursuant to the order issued under subparagraph (A) of this paragraph shall apply to payments under title XIX of the Social Security Act so as to reduce all payments to States under such title for State expenditures for medical assistance furnished, and administrative expenses incurred, during the period of the order by the uniform percentage reduction specified in the order.

(K) AFDC, FOSTER CARE, AND ADOPTION ASSISTANCE.—Reductions pursuant to the order issued under subparagraph (A) of this paragraph shall apply to payments under parts A and E of title IV of the Social Security Act so as to reduce all payments to States under such parts for State expenditures for aid to families with dependent children, foster care maintenance payments, adoption assistance payments, and administrative expenses, made during the period of the order by the uniform percentage reduction specified in the order.

(L) PROHIBITION ON ALTERING PAYMENT TIMETABLE.—No State may, after the date of the enactment of this Act, change the timetable for making payments under a State plan approved under title XIX of the Social Security Act or under part A or E of title IV of such Act, which has the effect of changing the fiscal year in which expenditures under such title or part are made.

(M) UNEMPLOYMENT COMPENSATION.—(i) The order under subparagraph (A) of this paragraph shall not apply to payments of regular unemployment compensation made by a State from amounts in the State's ac-

count in the Unemployment Trust Fund, and shall not apply to loans to States made under title XII of the Social Security Act.

(ii) The reduction required pursuant to the order issued under subparagraph (A) of this paragraph shall apply to Federal payments made under the Federal-State Extended Unemployment Compensation Act of 1970 so as to reduce payments to States for extended compensation (or shareable regular compensation) for weeks of unemployment occurring during the period of the order by the uniform percentage reduction specified in the order.

(iii) The reductions required pursuant to the order issued under subparagraph (A) of this paragraph shall apply to amounts payable to States pursuant to titles III and IX of the Social Security Act and under the Wagner-Peyser Act so as to reduce payments to States under such provisions for the period of the order by the uniform percentage reduction specified in the order.

(N) TREATMENT OF CERTAIN BENEFITS.—For purposes of clause (i) of subparagraph (A), increases in black lung benefits and special benefits for disabled coal miners which are required by reason of increases in Federal pay shall be considered to be indexed by such Federal pay increases.

(O) TREATMENT OF CHILD SUPPORT ENFORCEMENT PROGRAM.—Any order issued by the President under subparagraph (A) shall accomplish the full amount of the required reduction in expenditures under the child support enforcement program (established by part D of title IV of the Social Security Act) by reducing the Federal matching rate for State administrative costs under such program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary (as provided in the report submitted under section 203 of this title) to reduce such expenditures by that amount.

(P) FISCAL YEAR 1986 REDUCTIONS.—In the case of fiscal year 1986, the reductions and sequestrations required by the order issued pursuant to subparagraph (A) of this paragraph shall be pro rated on the basis of the number of remaining months in such fiscal year.

(Q) COMMODITY CREDIT CORPORATION.—

(i) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—After an order is issued under subparagraph (A) for a fiscal year, any payment made by the Commodity Credit Corporation—

(I) under the terms of any contract entered into in such fiscal year; and

(II) out of an entitlement account,

to any person (including any producer, lender, or guarantee entity) shall be deemed to be a controllable expenditure and shall be subject to reduction under the order. Any contract entered into in a fiscal year after an order has been issued under subparagraph (A) for such fiscal year shall provide explicitly for such reduction to be made for the entire period for which such contract is in effect and that in regard to commodity loans made to producers or producer cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions.

(ii) REDUCTION IN NONCONTRACTUAL PRICE SUPPORT PROGRAMS.—Price support provided for an agricultural commodity through the Commodity Credit Corporation by a method other than a payment of the type described in clause (i) shall be deemed to be a controllable expenditure, and such level of price support for the fiscal year for which an

order is issued under this subsection shall be subject to reduction under the order.

(iii) ADJUSTMENTS TO ACHIEVE REDUCTIONS.—In order to reduce expenditures for programs of the Commodity Credit Corporation as required under the Presidential order, the Secretary of Agriculture is authorized to adjust both target prices and loan rates in such a manner as to achieve the required percentage reduction of such order.

(iv) OPERATING AND ADMINISTRATIVE EXPENSES.—Operating and administrative expenses of the Commodity Credit Corporation shall be considered controllable expenditures and shall be subject to reduction under the order.

(v) UNIFORM PERCENTAGE RATE OF REDUCTION.—All reductions described in clauses (i), (ii), (iii), and (iv) required to be made in connection with an order issued under subparagraph (A) for a fiscal year shall be made at a uniform percentage rate and may not be made at a rate exceeding the rate of reduction specified in the order for the programs to which such subsections apply.

(R) TREATMENT OF LENDING ACTIVITIES OF ENTITIES PROVIDING FEDERAL GUARANTEES FOR STUDENT LOANS.—For the purposes of this title, the lending activities of entities providing Federal guarantees for student loans shall be deemed to be controllable expenditures. Actions taken in response to an order issued under this subsection shall include, but not be limited to, the following:

(i) With respect to loans granted after such an order has been issued, the reduction of the special allowance factor paid to a lender by not more than 0.40 percentage points in the first year of the loan only, but in no case would the statutory special allowance component be reduced below 3.00 percent, except that during the remaining life of the loan, the special allowance factor paid to the lender shall be that provided by the Higher Education Act of 1965, as amended.

(ii) With respect to loans granted after such an order has been issued, the increase of a student's origination fee by an amount not in excess of 0.50 percentage points.

(2) ISSUANCE OF ORDER.—

(A) POSITIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted by the Comptroller General under subsection (a) of this section is zero or greater, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 14 days after transmittal of such report.

(B) NEGATIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted by the Comptroller General under subsection (a) of this section is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 30 days after transmittal of such report.

(C) SPECIAL RULE.—If any adjustment made pursuant to paragraph (1)(F) eliminates the entire deficit excess, the order issued pursuant to this subsection shall so state, and no reductions shall be made pursuant to clauses (i) and (ii) of subparagraph (A).

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except to the extent that it is superseded by a reconciliation bill enacted under subsection (c) of this section, an order issued pursuant to this subsection

shall become effective 30 days after its issuance. Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during a fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

(B) WITHHOLDING OF BUDGET AUTHORITY FOR 30-DAY PERIOD.—During the 30-day period referred to in subparagraph (A), the President shall withhold from obligation the amounts that would have been suspended or sequestered under such order with respect to such 30-day period if the order issued pursuant to this paragraph had become effective on the date of its issuance. If a reconciliation bill enacted under subsection (c) of this section becomes law on or before the last day of such 30-day period, amounts withheld from obligation pursuant to the preceding sentence shall be made available for obligation to the extent permitted by such reconciliation bill. If such a reconciliation bill does not become law during such period, the budget authority withheld from obligation under the first sentence of this subparagraph shall be permanently cancelled as described in paragraph (1)(D) of this subsection.

(4) PROPOSAL OF ALTERNATIVES.—A message transmitted pursuant to this subsection with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year to an amount not greater than the maximum deficit amount for such fiscal year. Upon receipt in the Senate and the House of Representatives, the message and any accompanying proposal shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(c) CONGRESSIONAL ACTION.—

(1) REPORTING OF CONCURRENT RESOLUTIONS AND RECONCILIATION BILLS AND RESOLUTIONS.—

(A) IN GENERAL.—Not later than 10 days after issuance of an order by the President under subsection (b) with respect to a fiscal year, the Committee on the Budget of the House of Representatives and the Senate may report to its House a concurrent resolution. The concurrent resolution may affirm the impact of the order issued under subsection (b), in whole or in part. To the extent that any part of the order is not affirmed, the concurrent resolution shall state which parts are not affirmed and shall contain instructions to committees of the House and the Senate of the type referred to in section 310(a) of the Congressional Budget Act of 1974, sufficient to achieve at least the total level of deficit reduction contained in those sections which are not affirmed.

(B) RESPONSE OF COMMITTEES.—Committees instructed pursuant to subparagraph (A) of this paragraph, or affected thereby, shall submit their responses to their respective Budget Committees no later than 10 days after the conference report on the concurrent resolution referred to in subparagraph (A) is agreed to in both Houses, except that if in either House only one such Committee is so instructed such Committee shall, by the same date, report to its House a reconciliation bill or reconciliation resolution containing its recommendations in response to such instructions. A committee shall be considered to have complied with all instructions to it pursuant to a concurrent resolution adopted under subparagraph

(A) if it has made recommendations with respect to matters within its jurisdiction which would result in a reduction in the deficit at least equal to the total reduction directed by such instructions.

(C) **BUDGET COMMITTEE ACTION.**—Upon receipt of the recommendations received in response to a concurrent resolution referred to in subparagraph (A) of this paragraph, the Budget Committee of each House shall report to its respective House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revisions. In the event that a committee instructed in a concurrent resolution referred to in subparagraph (A) fails to submit any recommendation (or, when only one committee is instructed, fails to report a reconciliation bill or resolution) in response to such instructions, the Budget Committee of the relevant House shall include in the reconciliation bill or reconciliation resolution reported pursuant to this subparagraph legislative language within the jurisdiction of the non-complying committee to achieve the amount of deficit reduction directed in such instructions.

(D) **POINT OF ORDER.**—It shall not be in order in the Senate to consider any bill or resolution reported under subparagraph (C) with respect to a fiscal year, any amendment thereto, or any conference report thereon if—

(i) the enactment of such bill or resolution as reported;

(ii) the adoption and enactment of such amendment; or

(iii) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the amount of the deficit for such fiscal year to exceed the maximum deficit amount for such fiscal year, unless the report submitted under subsection (a)(1) projects negative real economic growth for such fiscal year, or for each of any two consecutive quarters during such fiscal year; nor shall it be in order in the House of Representatives to consider a conference report on any such bill or resolution if its enactment would cause the maximum deficit amount for that fiscal year to be exceeded, unless the report submitted under subsection (a)(1) projects negative real economic growth for such fiscal year, or for each of any two consecutive quarters, and in such case consideration may only be by the affirmative vote of three-fifths of those present and voting if the conference report alters or suspends the maximum deficit amount for that fiscal year.

(E) **TREATMENT OF CERTAIN AMENDMENTS.**—In the Senate, an amendment which adds to a concurrent resolution reported under subparagraph (A) an instruction of the type referred to in such subparagraph shall be in order during the consideration of such resolution if such amendment would be in order but for the fact that it would be held to be non-germane on the basis that the instruction constitutes new matter.

(F) **DEFINITION.**—For purposes of subparagraphs (A) and (B), the term "day" shall mean any calendar day on which either House of the Congress is in session.

(2) PROCEDURES.

(A) **THE SENATE.**—Except as provided in subparagraph (B), in the Senate the provisions of sections 305 and 310 of the Congressional Budget Act of 1974 for the consideration of concurrent resolutions on the budget and conference reports thereon shall also apply to consideration of concurrent

resolutions, and reconciliation bills and reconciliation resolutions reported under this subsection and conference reports thereon.

(B) **LIMIT ON DEBATE.**—Debate in the Senate on any concurrent resolution reported pursuant to subparagraph (A) of paragraph (1), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to 10 hours.

(C) **IN THE HOUSE OF REPRESENTATIVES.**—In the House of Representatives, any concurrent resolution reported under this paragraph shall be privileged for consideration on or after the third day on which the report has been available to Members. Any concurrent resolution, or reconciliation bill or resolution under this paragraph, and any conference reports thereon, shall otherwise be considered in accordance with the applicable rules of the House.

(D) **LIMITATION ON AMENDMENTS.**—Section 310(c) of such Act (as added by section 202(d)(2) of this title) shall apply to reconciliation bills and reconciliation resolutions reported under this subsection.

(E) **COMPLIANCE WITH INSTRUCTIONS.**—Section 310 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new subsection:

"(g) **COMPLIANCE WITH RECONCILIATION DIRECTIONS.**—Any committee of a House of the Congress that is directed, pursuant to a concurrent resolution on the budget to recommend changes of the type described in paragraphs (1) and (2) of subsection (a) with respect to laws within its jurisdiction, shall be deemed to have complied with such directions—

"(1) if—

"(A) the amount of the changes of the type described in paragraph (1) of such subsection recommended by such committee, and

"(B) the amount of the changes of the type described in paragraph (2) of such subsection recommended by such committee, do not exceed or fall below the amount of the changes such committee was directed by such concurrent resolution to recommend under such paragraph by more than 20 percent of the total of the amounts of the changes such committee was directed to make under both such paragraphs; and

"(2) if the total amount of the changes recommended by such committee is not less than the total of the amounts of the changes such committee was directed to make under both such paragraphs."

(3) **SPECIAL PROCEDURES IN THE EVENT OF A RECESSION.**—

(A) **IN GENERAL.**—If—

(i) the estimate of real economic growth set forth in a report transmitted by the Comptroller General under subsection (a) of this section for a fiscal year is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year; or

(ii) the Department of Commerce preliminary reports of actual real economic growth (or any subsequent revision thereof) for each of any two consecutive quarters of such fiscal year or of the last two quarters of the immediately preceding fiscal year indicate that the rate of real economic growth for such quarters is less than one percent;

the Committees on the Budget of the House of Representatives and the Senate may report to their respective Houses a joint resolution that declares that the economy is in a recession and that suspends or revises (in whole or in part) the provisions of this title or of the amendments made by this title.

(B) **CONSIDERATION OF JOINT RESOLUTIONS.**—

(i) A vote on final passage of a joint resolution reported to a House of the Congress pursuant to subparagraph (A) shall be taken on or before the close of the 10th calendar day of session of such House after the date on which the joint resolution is reported to such House. If the joint resolution is agreed to, the Clerk of the House of Representatives (in the case of a joint resolution agreed to in the House of Representatives) or the Secretary of the Senate (in the case of a joint resolution agreed to in the Senate) shall cause the joint resolution to be engrossed, certified, and transmitted to the other House of the Congress on the same calendar day on which the joint resolution is agreed to by such House.

(ii)(I) A motion in the House of Representatives to proceed to the consideration of a joint resolution under this paragraph shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(II) Debate in the House of Representatives on a joint resolution under this paragraph shall be limited to not more than 5 hours, which shall be divided equally between those favoring and those opposing the joint resolution. A motion to postpone, made in the House of Representatives with respect to the consideration of a joint resolution under this paragraph, and a motion to proceed to the consideration of other business, shall not be in order. A motion further to limit debate shall not be debatable. It shall not be in order to move to table or to recommit a joint resolution under this paragraph or to move to reconsider the vote by which the joint resolution is agreed to or disagreed to.

(III) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a joint resolution under this paragraph shall be decided without debate.

(IV) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a joint resolution under this subparagraph shall be governed by the Rules of the House of Representatives applicable to other bills and joint resolutions in similar circumstances.

(iii)(I) A motion in the Senate to proceed to the consideration of a joint resolution under this paragraph shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(II) Debate in the Senate on a joint resolution under this paragraph, and all debatable motions and appeals in connection therewith, shall be limited to not more than 5 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(III) Debate in the Senate on any debatable motion or appeal in connection with a joint resolution under this paragraph shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the joint resolution, except that in the event the manager of the joint resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under

their control on the passage of a joint resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(IV) A motion in the Senate to further limit debate on a joint resolution under this paragraph is not debatable. A motion to table or to recommit a joint resolution under this paragraph is not in order.

(iv) No amendment to a joint resolution considered under this paragraph shall be in order in either the House of Representatives or the Senate. No motion to suspend the application of this clause shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this clause by unanimous consent.

(d) **DEFINITIONS.**—For purposes of this section:

(1) The term "automatic spending increase" means increases in budget outlays due to changes in indexes in the following Federal programs:

Rail industry pension fund (60-8011-0-7-601);
Supplemental security income program (75-0406-0-1-609);
Veterans pensions (36-0154-0-1-701);
Veterans compensation (36-0153-0-1-701);
Civil service retirement and disability fund (24-8135-0-7-602);
Military retirement fund (97-8097-0-7-602);
Foreign Service retirement and disability fund (19-8186-0-7-602);
Retirement pay and medical benefits for commissioned officers, Public Health Service (75-0379-0-1-551);
Retired pay, Coast Guard (69-0241-0-1-403);
Judicial Survivors' annuities fund (10-8110-0-7-602);
Tax Court judges survivors annuity fund (23-8115-0-7-602);
Allowances and office staff for former Presidents (47-0105-0-1-802);
Central Intelligence Agency retirement and disability system fund;
Federal Reserve Board employees retirement system;
Comptrollers general retirement system;
Tennessee Valley Authority retirement system;
Special benefits, Federal Employees' Compensation Act (16-1521-0-1-600);
Food Stamp program (12-3505-0-1-605);
Child nutrition programs (12-3539-0-1-605);
National Wool Act (12-4336-0-3-351);
Black lung disability trust fund (20-8144-0-7-601);
Special benefits for disabled coal miners (75-0409-0-1-601); and
Medicare payments for clinical diagnostic laboratory tests to which section 1833(h) of the Social Security Act applies.

For purposes of the preceding sentence, program outlays are the outlays authorized by law as described by the designated account numbers set forth in the Budget of the United States Government, 1986—Appendix. Such term shall not include increases in Government expenditures due to increases in the number of program participants, nor shall it include any increase in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(2) The term "budget outlays" has the meaning given to such term in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974.

(3) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the Congressional Budget and Impoundment Control Act of 1974.

(4) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(5) The term "maximum deficit amount" has the meaning given to such term in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

(6) The term "real economic growth" means, with respect to a fiscal year, the nominal growth in the production of goods and services during such fiscal year, adjusted for inflation.

(7)(A) The term "controllable expenditures" means total budget outlays except outlays for programs specified in paragraph (1) and except outlays for the following programs:

Payment where credit exceeds liability for tax (20-0906-0-1-609);
Federal Old-Age and Survivors Insurance Trust Fund, except administrative expenses (20-8006-0-7-571);
Federal disability insurance trust fund, except administrative expenses (20-8007-0-7-571);
Claims, Defense (97-0102-0-1-051);
Claims, Judgments, and relief acts (20-1895-0-1-806);
Eastern Indian land claims settlement fund (14-2202-0-1-806);
Soldiers and Airmen's Home, Payment of claims (84-8930-0-7-705);
Payment of Vietnam and USS Pueblo prisoner of war claims (15-0104-0-1-153);
Salaries of judges (10-0200-0-1-752);
Compensation of the President (11-0001-0-1-802);
Payment to the foreign service retirement and disability fund (11-1036-0-1-153);
Payments to health care trust funds (75-0590-0-1-572);
Federal payment to the railroad retirement account (60-0113-0-1-601);
Payments to Social Security trust funds (75-0404-0-01-571);
Payments to civil service retirement fund (24-0200-1-1-805);
Payments to military retirement fund (97-0040-0-1-054);
Payments to State and local government fiscal assistance trust fund (20-2111-0-1-851);
Foreign military sales trust fund (11-8242-0-7-155);
Bureau of Indian Affairs, Miscellaneous trust funds, tribal trust funds (14-9973-0-7-999);
Exchange stabilization fund (20-4444-0-3-155);
Coinage profit fund (20-5811-0-2-803);
Payments to copyright owners (03-5175-0-2-376);
Railroad Social Security equivalent benefits account (60-8010-0-7-601);
Tennessee Valley Authority power program borrowing authority (including expenditures of proceeds from bonds issued or sold by the Tennessee Valley Authority pursuant to an Act of Congress which expressly prohibits any guarantee of such bonds by the United States);
Expenditures from the Bonneville Power Administration fund and borrowing authority established pursuant to section 13 of Public Law 93-454 (1974) as amended;
Tennessee Valley Authority—Seven States Energy Corporation; and
Postal Service fund (18-4020-8-3-372).

For purposes of the preceding sentence, program outlays are the outlays authorized by law as described by the designated account numbers set forth in the Budget of the United States Government, 1986—Appendix.

(B) Further, such term shall not include outlays in the following accounts that result from prior legal obligations to the Government:

Veterans Administration loan guaranty revolving fund (36-4025-0-3-704);
Agricultural credit insurance fund (12-4140-0-3-351);
Agency for International Development, housing and other credit guaranty programs (72-4340-0-3-151);
Overseas Private Investment Corporation (71-4030-0-3-151);
Rural development insurance fund (12-4155-0-3-452);
Economic development revolving fund (13-4406-0-3-452);
International Trade Administration operations and administration (13-1250-0-1-376);
Government National Mortgage Association, guarantees of Mortgage-backed securities (86-4238-0-3-371);
Federal Housing Administration fund (86-4070-0-3-371);
Credit union share insurance fund (25-4468-0-3-371);
Federal Savings and Loan Insurance Corporation fund (82-4037-0-3-371);
Pension Benefit Guaranty Corporation fund (16-4204-0-3-601);
Maritime Administration, war risk insurance revolving fund (69-4302-0-3-403);
Federal Crop Insurance Corporation fund (12-4085-0-3-351);
Aviation insurance revolving fund (69-4120-0-3-402);
Export-Import Bank of the United States, limitation of program activity (83-4027-0-3-155);
Small Business Administration lease guarantees revolving fund (73-4157-0-3-376);
Small Business Administration surety bond guarantees revolving fund (73-4156-0-3-376);
Federal Emergency Management Agency, National insurance development fund (58-4235-0-3-451);
Federal Emergency Management Agency, National flood insurance fund (58-4236-0-3-453);
Nuclear Regulatory Commission salaries and expenses (31-0200-0-1-276);
Check forgery insurance fund (20-4109-0-3-803);
Railroad Rehabilitation and improvement financing fund (69-4411-0-3-401);
Energy security reserve (20-0112-0-1-271);
Small Business Administration, business loan and investment fund (73-4154-0-3-376);
Small Business Administration, pollution control equipment contract guarantee revolving fund (73-4147-0-3-376);
Low-rent public housing—loans and other expenses (86-4098-0-3-604);
Federal ship financing fund (69-4301-0-3-403);
Federal ship financing fund, fishing vessels (13-4417-0-3-376);
Rural housing insurance fund (12-4141-0-3-371);
Indian loan guaranty and insurance fund (14-4410-0-3-452);
Rail service assistance (69-0122-0-1-401);
Office of Personnel Management, employees life insurance fund (24-8424-0-8-602);
Federal Deposit Insurance Corporation (51-8419-0-8-371);
Veterans Administration, servicemen's group life insurance fund (36-4009-0-3-701);

Veterans Administration, United States Government life insurance fund (36-8150-0-7-701);

Veterans Administration, National service life insurance fund (36-8132-0-7-701);

Service-disabled veterans insurance fund (36-4012-0-3-701);

Veterans special life insurance fund (36-8455-0-8-701);

Veterans reopened insurance fund (36-4010-0-3-701); and

Veterans insurance and indemnities (36-0120-0-1-701).

For purposes of the preceding sentence, program outlays are the outlays authorized by law as described by the designated account numbers set forth in the Budget of the United States Government, 1986—Appendix.

(C) Further, such term shall not include regular State unemployment benefits, the State-funded share of extended unemployment benefits, and loans to States from the Federal unemployment account.

(D) Further, such term shall not include non-federal funds appropriated for the District of Columbia.

(E) Further, such term shall not include outlays for net interest (all of budget function 900).

(F) Further, such term shall not include outlays which result from private donations, bequests, or voluntary contributions to the Government.

(G) Further, such term shall not include outlays from intragovernmental funds to the extent that such outlays are derived from other Federal Government accounts.

(H) Further, such term shall not include offsetting receipts.

(I) Further, such term shall not include outlays due to increases in the number of program participants.

(J) Further, such term shall not include outlays for prior-year obligations, except that such term shall include obligations for existing contracts except—

(i) those multiyear contracts which include a specified penalty for cancellation or modification of the contract by the Government and which, if canceled or modified by the Government would result, due to such penalty for cancellation or modification, in a net loss to the Government in the first year; and

(ii) those contracts the reduction of which would violate legal obligations of the Government.

For purposes of subsection (b), the term "existing contracts" shall include all Federal military and civilian contracts existing at the time a sequester order is issued. Notwithstanding any other provision of law, any contract entered into or modified by the Federal Government after the date of the enactment of this joint resolution shall contain a provision that the contract may be modified, renegotiated, or terminated to the extent necessary to implement a sequester order issued under clause (ii) of subsection (b)(1)(A), and a provision that any penalties that would otherwise be payable by the Federal Government under the contract by reason of modification, renegotiation, or termination of the contract shall not be payable if the modification, renegotiation, or termination is made pursuant to a sequester order issued under clause (ii) of subsection (b)(1)(A).

(K) Receipts credited to an account shall not be deducted from outlays for the purpose of determining the amount to be sequestered pursuant to subsection (b)(1)(A)(ii).

(8) The term "sequester" means the permanent cancellation of budget authority, obligation limitations, other budgetary resources, or direct and guaranteed loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage.

(9) The term "other budgetary resources" means unobligated balances, obligated balances for existing contracts (as provided in paragraph (7) of this subsection), reimbursements, receipts credited to an account, and recoveries of prior-year obligations.

(10) The amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year shall be treated as "statistically significant" if the amount of such excess is greater than 5 percent of such maximum deficit amount. For purposes of the fiscal year beginning October 1, 1985, the preceding sentence shall be applied by substituting "0" for "5".

RIEGLE (AND CRANSTON) AMENDMENT NO. 964

Mr. RIEGLE (for himself and Mr. CRANSTON) proposed an amendment to amendment No. 957 proposed by Mr. PACKWOOD (and Mr. DOMENICI) to the amendment of the House to the amendment of the Senate numbered 2 to the joint resolution (H.J. Res. 372), supra; as follows:

At the end of the amendment of Mr. PACKWOOD, insert the following:

Sec. . Notwithstanding any other provision of this Act, for the purposes of section 204 of this Act the following shall apply with respect to outlays for the Veterans' Administration programs, benefits, and accounts referred to in this section: Expenditures from the Veterans' Administration medical care account (36-0160-0-1-703) shall be deemed not to be controllable expenditures; a provision of law making an appropriation to such account for a fiscal year shall be deemed to be a provision of Federal law requiring an automatic spending increase to take effect during such fiscal year; the amount of outlays from such account that shall be considered the amount of the outlay increase to be reduced by a uniform percentage during a fiscal year (hereinafter in this clause referred to as the "current fiscal year") under subsection (b)(1)(A)(i) of such section is any amount exceeding the total of all outlays made from such account for the preceding fiscal year (as estimated by the Director of the Congressional Budget Office) plus the amount of outlays which the Director of the Congressional Budget Office estimates will be needed during the current fiscal year for increases in outlays (over outlays during the preceding year as so estimated) for salaries and benefits in order to maintain employment under such account of the same number of full-time-equivalent federal employees employed under such account as were so employed during the preceding fiscal year; no provision of law increasing or authorizing an increase in a rate or rates of compensation or dependency and indemnity compensation, as defined in section 101 (13) and (14), respectively, of title 38, United States Code, or of a benefit paid under chapter 11 or 13 of such title shall be considered a law requiring an automatic spending increase; no expenditure for such compensation, dependency and indemnity compensation, or benefits shall be considered a controllable expenditure; and no amount of budget authority for

such compensation, dependency and indemnity compensation, or benefits shall be sequestered.

HART (AND OTHERS) AMENDMENT NO. 965

Mr. HART (for himself, Mr. MOYNIHAN, Mr. SASSER, Mr. LEAHY, Mr. BINGAMAN, and Mr. BRADLEY) proposed an amendment to amendment No. 957 proposed by Mr. PACKWOOD (and Mr. DOMENICI) to the amendment of the House to the amendment of the Senate numbered 2 to the joint resolution (H.J. Res. 372), supra; as follows:

At the end of the Packwood amendment No. 957 add the following new section:

Sec. reports on national defense Reports shall be submitted to Congress containing the following information:

A. The Congressional Budget Office and the Office of Management and Budget shall each estimate the amount of defense and non-defense outlays, budget authority and other budgetary resources to be sequestered at the level of detail specified in the other sections of this Act, for the possible cases of a September 25, 1986 sequester order, at the levels of \$10 billion, \$20 billion, and \$30 billion dollars;

B. The Secretary of Defense shall submit to Congress a report on how the levels of defense spending reductions estimated by OMB and CBO pursuant to Sec. (a) above would be allocated to each program, project, or activity receiving a uniform percentage reduction as specified in the other sections of this Act, and shall report on the impacts of such reductions. This report shall be submitted no later than 60 days following enactment of this Act.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I wish to announce for the information of the public that the Subcommittee on Intergovernmental Relations will hold a hearing on November 14, 1985, at 9:30 a.m., in room 562 of the Dirksen Senate Office Building, on regulatory activities of the Office of Management and Budget. Those wishing additional information should contact Margaret Wrightson, 224-4718, of the subcommittee staff.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce for the information of the public that the Committee on Rules and Administration will be holding a hearing on S. 1787.

The hearing on S. 1787, to amend the Federal Election Campaign Act of 1971 to provide for the public financing of Senate General Election Campaigns will be held on Tuesday, November 5, 1985, at 9:30 a.m., SR-301, Russell Senate Office Building.

WITNESS LIST

The Honorable Gary Hart, U.S. Senate, Washington, DC. 20510.

The Honorable George J. Mitchell, U.S. Senate, Washington, DC. 20510.

The Honorable David Boren, U.S. Senate, Washington, D.C. 20510.

The Honorable John F. Kerry, U.S. Senate, Washington, D.C. 20510.

The Honorable Henry S. Reuss, 1825 I Street, N.W., Washington, D.C. 20006.

PANEL

Philip Stern, 2000 P Street, N.W., Washington, D.C. 20036.

Whitney North Seymour, Jr., Esquire, Brown & Seymour, 100 Park Avenue, New York, New York 10017.

Dr. Amital Etzioni, George Washington University, Washington, D.C. 20052.

Professor Jeffrey M. Blum, State University of New York at Buffalo Law School, Buffalo, New York 14260.

Burton D. Sheppard, Esquire, Sullivan & Worcester, 1025 Connecticut Avenue, N.W., Washington, D.C. 20036.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON RULES AND ADMINISTRATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, November 5, to conduct a hearing on S. 1787, to amend the Federal Election Campaign Act of 1971, to provide for the public financing of Senate general election campaigns.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, November 5, at 9:30 a.m., to mark up the following bills:

H.R. 664, amending the Panama Canal Act of 1979 regarding the payment of interest on the U.S. investment in the Panama Canal;

H.R. 720, the Panama Canal Amendments Act of 1985 dealing with the settlement of claims for accidents occurring outside the Canal Locks; and

H.R. 1784, the Panama Canal Commission Authorization Act of fiscal year 1986.

Further, to consider the following nominations:

Carol Johnson Johns, of Maryland, and Mario Effrain Ramirez, of Texas, to be members of the Board of Regents of the Uniformed Services University of the Health Sciences; and

Richard N. Holwill, of the District of Columbia, to be a member of the Board of the Panama Canal Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, November 5, to conduct a hearing on matters relating to Deputy Director of OMB.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE POLICY

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Policy of the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, November 5, 1985, in order to conduct a hearing on asylum procedures.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, November 5, to conduct a meeting on the nomination of James Curtis Mack, Deputy Administrator of NOAA.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, November 5, to conduct a meeting on regional airlines.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RECENT TERRORISM

● Mr. D'AMATO. Mr. President, as founder and cochairman of the Senate Anti-Terrorism Caucus, I rise today to call attention to the pressing problem of international terrorism, including the most recent terrorist incident involving the hijacking of the Italian cruise liner, the *Achille Lauro*. In doing so, I first want to praise the swift and decisive action of the President in capturing the PLO terrorists who perpetrated this inhuman act of violence. We, as Americans, are united with all freedom-loving peoples of the world when we applaud the President's resolve to fight terrorism, and his decision to intercept the hijacker's attempt to flee from justice.

Recently, several of my colleagues and I formed an antiterrorism caucus to promote a continued, constructive dialog on terrorism in an effort to develop an effective U.S. response. As we recently saw, however, the President amply demonstrated the importance for us to take the upper hand in this new type of warfare. The President's words must stand as a warning to terrorists everywhere: You can run, but you can't hide.

In recent history, we have witnessed several major anti-U.S. terrorist inci-

dents. Among these, the hijacking of Trans World Airways flight 847 on June 14 clearly reflects the type of amoral behavior we have learned to expect, but never justify, from terrorist groups. On board were 145 passengers and 8 crew members, 104 of whom were American citizens. The two original hijackers, later joined by several more heavily armed terrorists, expanded their demands to include not only the release of 700 Lebanese Shiite Muslims imprisoned in Israel, but also 17 imprisoned in Kuwait and 2 in Spain—all of whom were criminal terrorists themselves.

Our President refused to bargain. Israel also refused. Periodically, women and children were freed and allowed to leave the plane, but we all know the tragic end to this drama as 40 innocent civilians were held hostage for several days, and 1, American naval diver Robert Stethem, was cruelly beaten and murdered.

We must also not forget the six other American hostages who still remain in captivity in Lebanon. Someday they, too, must return home safely to America.

Neither should we forget the terrorist seizure of the United States Embassy in Iran which resulted in the detention of 52 hostages for 444 days. Two days after President Reagan took the oath of office, all were released. From the day forward, the President has held fast to his commitment to combat terrorism, an insidious disease that has plagued us for far too long.

Terrorism is a cancer. It is a cancer eating away at world order and at every legitimate process of laws established to secure and maintain this order. It is a cancer that is growing, even in the face of stepped up security measures worldwide. Terrorists seeking to impose their political will over others through threats, murder, and destruction are as old as history, but there comes a time in history when we must say enough is enough. Terrorism must be brought to heel, and this must be done under the very process of laws that it seeks to overthrow.

In the words of Secretary of State George Shultz, "international terrorism has rapidly become one of the gravest challenges to American interests around the world." Only recently have we begun to tabulate acts of terrorism worldwide, and the statistics are staggering. Since 1968, U.S. personnel and institutions have been the targets of over 50 percent of all terrorist acts. Within the last 12 years, there have been over 6,000 terrorist incidents worldwide, resulting in the deaths of approximately 4,700 innocent people. Last year alone, Americans suffered more than 100 casualties. But we do not suffer alone. By virtue of the free and open nature of democratic soci-

eties, all Western democracies are vulnerable to terrorist attacks.

During 1984, according to the Department of State, the total number of terrorist incidents was up roughly 30 percent—a total of 650 compared to 500, the figure for 1983 and the average of the previous 5 years. Western Europe had over 250 incidents, up one-third; the Middle East had nearly 200 incidents, up two-thirds, and Latin America had between 110 and 120 incidents.

When I look at these statistics, I am outraged. I try to imagine the warped minds of those in the PLO who are bent on using murder and violence as bargaining tools, but it is difficult. I know who they are and where they gain their assistance, but it is difficult to find an effective solution against their cruel and inhuman attacks on innocent people.

To address the difficulty of developing an effective solution to terrorism, Senators DIXON, DENTON, DeCONCINI, and I formed the Senate Anti-Terrorism Caucus in response to the growing threat of terrorism, especially against Americans abroad, and the growing outrage against terrorism by the American public. It is the hope of the members of this caucus that the fruits of our hearings will add to the work of the standing committees handling these issues, as well as the work of the administration, in formulating an effective policy to counter terrorism.

The caucus convened its first hearing on the 24th of October to investigate the roots of Middle East terrorism and possible solutions. We heard from Ambassador Robert Oakley, Director of the Office for Counterterrorism and Emergency Planning at the State Department, regarding the nature of the terrorist threat and the groups involved in terrorist activities. Groups involved in terrorism include Muslim fanatics, Syrian-backed Palestinians, the PLO, and radicals in Libya, each of which seek to disrupt stability and create a forum of terror to advance their respective causes.

But we must ask ourselves, what can be done to stop their senseless killing? What is being done to create an international forum? Is there international cooperation to thwart terrorist expansion? The answers to these questions are mixed and varied. As Ambassador Oakley affirmed, it is difficult to gain international cooperation. For example, during the Iranian crisis in 1983, the United States tried to impose economic sanctions against the Iranian Government as pressure for the release of the American hostages, but there was little or no international cooperation. If we are to put an end to terrorism, all affected nations must be uniformly resolved to take the necessary action. There must be no weak links in the international chain to bind

those people who either sanction or carry out terrorist activities.

We also heard from Peter Hill, a former hostage aboard TWA flight 847, who offered his personal experiences during this hijacking and suggested the placement of sky marshals aboard international flights as a preemptive solution. He suggested many instances in which the hijackers of that flight left themselves vulnerable to attack. I do not believe this to be an isolated case in which hijackers have left themselves open and vulnerable. We must, therefore, seriously consider the viability of this initiative as a preemptive solution to future acts of air piracy.

We heard from Sue Franceschini, the sister of Reverend Jenko, one of the six American captives currently being held in Beirut, on the need to make the American people more aware of the increasing threat of terrorism and its effects on the victim's families. As we all know, terrorism strikes not only the immediate victim, but also that victim's family and friends. Angered by the difficulty in obtaining her brother's release, Ms. Franceschini has contacted many State and local officials throughout the Union to gain their increased attention to terrorism. With the assistance of women like Ms. Franceschini, our Nation will properly place the issue of terrorism on the top of our national agenda.

Finally, we heard from Yohan Alexander, a noted scholar in the uncharted academic field of international terrorism, on the proliferation of terrorist activities in recent months, which indicates a renewed effort of low-intensity warfare against the United States. Although we have been fortunate that relatively few terrorist attacks have occurred within the borders of the United States, our citizens overseas are under constant threat.

It is absolutely critical that we, as members of Congress, maintain a continued, constructive dialog on possible solutions to terrorism to free the innocent people of this world from senseless murder and destruction. Our struggle to find ways to combat terrorism will continue, but, unfortunately, terrorists will continue to prey upon these innocent victims unless we find a viable solution.

As I have stated, the President recently showed us the solution to terrorism, and that is: to fight fire with fire. The U.S. response to terrorism has been on an ad hoc basis for far too long and has involved a broad range of tactics, from direct negotiations to international cooperation. But these efforts are no longer effective against the emergence of state-supported, state-sponsored terrorism.

The Palestine Liberation Organization, the organization behind the hijacking of the *Achille Lauro*, is an outlaw terrorist organization. They

are a people without a state, bound by a cause they cannot win, and supported by states to perpetuate the murder and destruction that has plagued the innocent for years.

The 1978 Arab summit in Baghdad, Iraq, mandated that the major oil-exporting Arab states were to give \$300 million a year to the PLO for 10 years between 1979 and 1989. This money is channeled through the Palestine National Fund to Yasser Arafat, the recognized spokesman for the PLO who has final control over this money. Contributing states and their apportionments this year, in millions of dollars, were: Saudi Arabia, \$85.7; Kuwait, \$47.1; Libya, \$47.1; Iraq, \$44.6 million; the United Arab Emirates, \$34.3; Algeria, \$21.4; and Qatar, \$19.8 million. These nations also provide sanctuary, training, and logistics to tens of thousands of PLO militants.

During the 1970's Yasser Arafat succeeded in gaining recognition as the PLO's sole credible voice of the stateless Palestinian people in many parts of the world, but, in recent years, Arafat's recognition has diminished. In 1982, he was driven from his military stronghold in Lebanon. As a result, the PLO has been forced to disperse around the Arab world. More recently, his Tunisian camp was destroyed by Israeli jets, and on October 10, President Reagan succeeded in apprehending four of Arafat's Palestinian terrorists for hijacking the *Achille Lauro*. Now Arafat has even been denied the opportunity to address the United Nations.

Mr. President, the events on October 11 must stand as a message to terrorists everywhere that the United States will no longer stand idly by as innocent people are victimized by this senseless violence. President Reagan's actions on October 11 clearly demonstrate his leadership of the American people and his resolve to combat terrorism.

Initially, the President reacted with caution to the seizure by Palestinians of the Italian cruise liner, and carefully weighed his options to end the drama. As in most PLO terrorist incidents, American lives were at stake, thus, every precaution had to be taken to ensure their safety. Communication lines were opened to Italy, Egypt, and Israel and were kept open around the clock as the drama developed. Keeping his options open, the President sent several military ships into the area to be available if needed. He was content, at least initially, to let the Italian Government take the lead. Negotiations with other nations were underway to end the crisis, but no concessions were to be made to the terrorists.

After identifying themselves as members of the Palestine Liberation Front, a faction of the PLO known to support Arafat, the hijackers demand-

ed the release of other Palestinian terrorists currently jailed in Israel—threatening to take the lives of innocent Americans if their demands were not met. They soon realized, however, that their demands would not be met. Coldly and cruelly, the four Palestinian terrorists attempted to force the world into submission, but still no concessions to their demands were made.

Their mission failed the hijackers were talked off the ship and allowed to leave the *Achille Lauro* by boat. But when Nicholas Veliotis, U.S. Ambassador to Egypt, visited the ship to make certain no hostages were harmed, he discovered that Leon Klinghoffer, a 69-year-old man confined to a wheelchair, had been shot, and in a despicable and inhuman gesture, his body had been thrown overboard.

After learning what had happened, to Mr. Klinghoffer, President Reagan waited for the opportunity to strike. Poised and ready for their go-ahead command, the U.S.S. *Saratoga* waited in the Ionian Sea between Italy and Greece. The order was then given to launch four Navy F-14's into formation, and at 5:30 p.m. e.s.t. on October 10, the President issued their final orders to intercept the flight of Egyptian 737 airliner as the hijackers attempted to flee from justice.

Mr. President, I would like to reiterate my praise for our great President, and commend him for his actions during this crisis. He has steered this Nation in the right direction to effectively combat terrorism, and he has enabled all Americans to once again stand tall in the face of this age-old cancer.

Terrorism cannot be allowed to flourish, and terrorists everywhere should heed our President's warning: You can run, but you can't hide.

Thank you, Mr. President.●

COMPREHENSIVE TEST BAN

● Mr. LEAHY. Mr. President, if President Reagan and Mikhail Gorbachev are to succeed in devising a formula to significantly limit nuclear and space weapons, they should first take a very fundamental step. That is to immediately resume the negotiation of a comprehensive test ban treaty.

A comprehensive test ban [CTB] with rigorous on-site inspection and provisions could pave the way toward a freeze on the production and deployment of nuclear weapons. It could help put an end to the constant parade of destabilizing nuclear innovations, which have failed to enhance our security.

That is why I joined a bipartisan group of Senators in introducing Senate Joint Resolution 179, calling upon President Reagan to propose to the Soviet Union "the immediate resumption of negotiations toward con-

clusion of a verifiable comprehensive test ban treaty."

The administration abandoned CTB negotiations claiming that such a treaty would pose serious verification problems.

Yet the administration has failed to admit to the significant progress which had been made with the Soviets in resolving issues which had seemed insurmountable, on terms proposed by the United States.

Indeed, prior to United States withdrawal from CTB negotiations the Soviets had accepted a United States plan for conducting on-site inspections to help resolve compliance questions.

This was truly an historic achievement. Failure to reach agreement on the issue of on-site inspections was one of the main reasons it was possible to only conclude a partial rather than a comprehensive test ban in 1963.

In another major breakthrough on verification, the Soviets had accepted a United States proposal for deployment of a network of sophisticated seismic monitoring stations on their territory. Such seismic facilities inside the Soviet Union combined with our impressive existing national technical means of verification would give us a very effective basis for verifying a CTB treaty.

In addition, Soviet willingness to accept these seismic stations on their territory represents a dramatic advance in Soviet attitudes toward verification, with significant implications for future arms control agreements.

Mr. President, as vice chairman of the Senate Select Committee on Intelligence, I can tell my colleagues that the kind of cooperative measures which the Soviets have agreed to in previous CTB negotiations would serve as very valuable principles for our negotiators in Geneva—if they are implemented.

It is ironic that an administration which refuses to have arms control without progress on verification issues would refuse to implement significant breakthroughs that improve the verification capabilities of the United States.

Mr. President, last summer Premier Gorbachev proposed a 5-month moratorium on nuclear testing, through December 1985. Rather than dismiss Gorbachev's offer as the administration did, it could have used the Soviet proposal as a starting point for the resumption of the CTB negotiations. We could have insisted that the Soviets begin to implement some of the significant on-site inspection procedures to which they had previously agreed in the CTB negotiations.

These are objectives that can be achieved in Geneva. They are small steps which can have significant impact in creating the momentum required for the negotiation of a new

treaty. We must have the courage to take these small steps.●

EXPANDED CAPITAL OWNERSHIP AND THE IDEOLOGICAL HIGH GROUND

● Mr. LUGAR. Mr. President, today I am introducing the second of four statements on expanded capital ownership. This is part of a position paper entitled "Project Economic Justice: A Revolutionary Free Enterprise Challenge to Marxism," prepared by Norman G. Kurland.

Mr. Kurland is president of the consulting firm, Equity Expansion International, and also of the nonprofit educational firm, the Center for Economic and Social Justice, chaired by Ambassador J. William Middendorf II. Mr. Kurland is recognized as one of America's leading authorities on the design and implementation of the employee stock ownership plan technique, which can be a powerful mechanism for connecting workers to future capital credit. Mr. Kurland drafted and spearheaded the campaign behind the original ESOP laws adopted by Congress and has developed a number of model ESOP's. I invite my colleagues to read this piece entitled "A Strategy for Expanding Capital Ownership."

The statement follows:

A STRATEGY FOR EXPANDING CAPITAL OWNERSHIP

(By Norman G. Kurland)

Few can argue that, given the rich cultural diversity of Americans, freedom and democracy have been raised to extraordinary levels in America. Our history continues to demonstrate that anyone can climb the ladder of success and that historic barriers to opportunity are easier to uproot in America than virtually anywhere else in the world. What is not fully appreciated is that freedom and democracy anywhere are fragile without "economic justice." (See "A New Look at Economic Justice for the Eighties" by this author for further clarification of the meaning of this term.) While nowhere in the world, including America, has the quest for economic justice been completed, by promoting jobs linked with ownership as a new direction for American foreign policy, we have taken a revolutionary step forward.

American can now proudly proclaim its new message to the world: "Freedom and Democracy Through Economic Justice."

Our political objective should be to broaden the political constituency for free market policies. We should aim our new message to farm workers, industrial workers, and others who might become employed within a rapidly growing private sector . . . but only after we have the capacity to deliver on whatever ownership promises we support. Appealing to workers who are merely wage earners, not owners, will not build support for a free enterprise system.

Why is economic justice the necessary base for democracy and freedom? Suffice it to say that who owns and controls the nation's means of production—its farms, industries, technologies, and natural resources—is in the first instance a legal and institutional

question. But in the final analysis the issue of ownership reflects the system of morality and justice upon which all our laws and institutions must ultimately be derived. While it is assumed as a matter of faith that every American has an equal opportunity to share in the ownership of capital, we are now becoming aware that the means to become capital owners are far from being equally accessible to all. The Joint Economic Committee has found that the top 1% of Americans own over 50% of all individually-owned corporate equity and that future ownership distribution patterns will be the same unless we adopt new methods of financing America's growth capital requirements. The present situation is clearly unjust, but Americans are finding ways to correct our laws and our institutions to broaden future access to ownership opportunities. These changes would automatically raise the level of economic justice enjoyed by Americans. And similar changes could also provide economic justice for millions of people in the developing countries.

There is a connection between future ownership and capital credit. Ownership opportunities and access to capital credit go hand-in-hand. Joint Economic Committee projections indicate that a "new industrial frontier," consisting of new non-farm plant and equipment costing from \$3 to \$5 trillion, will be built in the United States over the next decade. About one-third of that will be financed through self-liquidating capital credit, with most of the rest financed through retained future earnings. Consequently, by linking access to capital credit almost exclusively to present capital owners and previously accumulated savings, our present credit system structurally consigns the majority of American workers to wage and welfare systems not unlike those that many immigrants came here to escape.

Fortunately, problems associated with monopolistic access to future ownership are gradually being overcome as a result of special tax incentives designed to encourage ownership-spreading mechanisms of capital credit, such as ESOPs. More significantly, momentum is growing among farmers, businessmen, and in the White House and on Capitol Hill for a "Two-Tiered Interest Rate" proposal aimed at accelerating private sector growth linked to expanded ownership. (See this author's paper, "A Two-Tiered Interest Rate Policy at the Fed," March 30, 1983, and his testimony before the House Subcommittee on Access to Equity Capital, May 8, 1979.) A senior member of the House Banking Committee, along with a bipartisan group of co-sponsors, is expected to introduce a bill shortly to reform the Federal Reserve Act to achieve these results. Senator Long, who with 30 other senators, introduced "The Expanded Ownership Act" is preparing to reintroduce this package of major new tax incentives for connecting capital credit to workers through ESOPs. And Senator Gary Hart and Rep. Parren Mitchell are co-sponsoring changes in the enterprise zone legislation that would enable workers and residents to gain equity shares in future development profits within the zones. Together, all these are pieces of a more comprehensive "Industrial Homestead Act" that this author has prepared at the request of senior White House officials.

The Industrial Homestead Act was designed so that it could be adapted by any nation to fit its own unique circumstances. By adopting tax and credit policies along similar lines, any nation would create a fa-

vorable environment for private sector initiatives both within the country and from the United States and other more developed economies. (See "Beyond the Wage System" and "The Future of the Multinational Corporation" by this author, and "Uprooting World Poverty: A Job for Business" by Louis O. Kelso and Patricia Hetter.)

Words alone are never enough to sustain an ideological offensive. There must be solid substance behind the words, consisting of:

(1) A goal that is easy to communicate, morally inspiring and universally desirable; e.g., economic justice;

(2) A comprehensive and sound theory and readable materials to define and describe that goal; see "A New Look at Economic Justice for the Eighties" mentioned above and "Beyond ESOP: The Kelso-Adler Theory of Economic Justice," a selected list of publications by the National Center for Employee Ownership;

(3) A fundamental human right that describes how this goal can be enjoyed at the level of the person; e.g., let every worker become an owner; supported by Article XVII of the Universal Declaration of Human Rights ("Everyone has the right to own property, alone as well as in association with others.");

(4) Awareness of specific barriers that block the enjoyment of that fundamental human right; e.g., systems that provide monopolistic access to capital credit; laws that forbid or discourage individual workers from enjoying property rights in industrial or farm enterprises, as under communism;

(5) Spotting the contradictions and myths in the handling of professed ideals; e.g., the myth that workers are owners within collectivist societies; and a focus on the distinction between "joint economic" (private property) ownership and "collective political" (socialized) ownership;

(6) A realistic set of programs and institutional infrastructure designed to remove roadblocks and offer incentives to individuals and groups to test desired changes; e.g., the Industrial Homestead Act;

(7) Successful applications of the idea in a variety of settings and circumstances and objective scrutiny by impartial professional critics; e.g., dozens of "model" prototypes among the 5,000 ESOPs now in existence.

(8) Support from key statesmen in the political, religious, academic, labor, and business community to the programs and methods being advocated;

(9) A sizeable pool of experienced professionals and trainers in the various disciplines, plus other institutional and financial resources needed for widescale implementation of the program;

(10) One or more places offering challenging problems that seem to defy traditional solutions which might be open to testing the new strategy;

(11) A strategy for implementing the overall program or basic parts of the program which could be easily tailored to solve a specific problem; and

(12) A strategy for communicating the new message to groups that might benefit from the new program; e.g., building a new constituency among farm and industrial workers for free market policies.

With all these pieces in place, a successful ideological campaign can be mounted. Each successful application will help reinforce the central message. Every new worker-owner will be a messenger if the programs are designed competently and with integrity. ●

TARIFFS AND QUOTAS

● Mr. HART. Mr. President, last week the Wall Street Journal published an article on trade that I would recommend to my colleagues. The article argues there has been an increase in protectionist trade barriers here in the United States over the past few years, and that these barriers cost American consumers billions of dollars while ultimately saving few, if any, American jobs.

We all realize how the unfair trade practices of our competitors penalize American workers and businesses. Japan's spider-web of bureaucratic barriers, Europe's subsidies for crop exports, the domestic content laws for automobiles in a score of nations—all these practices undermine our prosperity as they endanger the viability of an expanding world trading system.

But the lesson of the Journal article is clear: protectionism is no better an answer to our trade problems than the administration's laissez-faire indifference over the past 5 years. Protectionism fuels inflation, invites foreign retaliation, and eliminates jobs in unprotected industries. If we are to find a long-term and constructive dollar, modernize our industries, push for elimination of unfair foreign practices, increase the demand abroad for American products, and protect our workers from global economic forces beyond their control.

Mr. President, I ask that the full text of the Journal article be inserted at this point in the RECORD.

The article follows:

AS FREE-TRADE BASTION, U.S. ISN'T HALF AS PURE AS MANY PEOPLE THINK

(By Alan Murray)

In Sault Ste. Marie, Ontario, A Canadian shopper can buy a four-kilogram bag of white cane sugar at New Dominion Stores Ltd. for about \$1.50 (U.S.).

But across the St. Marys River in Sault Ste. Marie, Mich., a 10-pound bag (4.54 kilograms) of the same sugar sells at Norden's Foodland for \$3.55, roughly double the Canadian price.

The reason is simple: protectionism. To support domestic sugar producers, the U.S. imposes stiff quotas on sugar imports, keeping the domestic wholesale price far higher than the world price. "It's a glaring discrepancy," says Francis Mansfield, director of the Sault-area Chamber of Commerce.

The current congressional debate over trade legislation rings with complaints that the U.S. is the last bastion of unfettered international trade in a world of protectionists. "The United States has permitted imports to gush ashore freely while not demanding comparable access abroad," asserts Sen. Lloyd Bentsen, a Texas Democrat.

AN ARRAY OF BARRIERS

But the U.S. isn't the pure free-trade that many in Congress and business seem to think. Sugar quotas are just one example of a larger array of trade barriers the U.S. has built to restrict imports. High tariffs and other restrictions provide substantial protection to producers of books, benzenoid chemicals, ceramic tiles, canned tuna,

rubber footwear, steel, textiles, motorcycles, peanuts, dairy products and more.

Indeed, significant trade barriers cover more than a quarter of all manufactured goods sold in the U.S., and cost American consumers more than \$50 billion a year, or \$450 for every working man and woman, according to Gary Hufbauer, a Georgetown University professor, in a book to be published later this year.

"We probably do less" to block imports than most of our major trading partners, Mr. Hufbauer says. "But we do a lot. We certainly protect a heck of a lot more than most congressmen say we do."

During most of the postwar period, the U.S. has been the world's leading force for free trade. Under its leadership, worldwide tariffs have been reduced sharply and trade has boomed. Average U.S. tariffs have fallen from 50% of the imports value in the day of the Smoot-Hawley tariffs during the 1930s, to about 5% today; and European and Japanese tariffs have been reduced to about the same level.

NEW PROTECTIONISM

But in recent years, the U.S. has been caught up in the global trend toward "new protectionism," establishing quotas, "voluntary" import restrictions and other barriers rather than tariffs to shield its domestic industries from foreign competition. By Mr. Hufbauer's estimate, the percentage of U.S. imports covered by protection has risen to 21% today from 5% in 1975.

"My sense is that on net, trade restraints continued to drop through most of the 1970s," says William Niskanen, chairman of the Cato Institute, a Washington think tank. "But starting in the 1980s, the increase in nontariff barriers has been greater than the reduction in tariffs."

The trend toward protectionism has accelerated in the last five years, thanks largely to the dollar's steep rise in value relative to other currencies. The strong dollar has encouraged a flood of imports by making them cheaper, increasing domestic industries' demand for protection. Although the Reagan administration claims to be vigorously opposed to trade barriers, it has found it politically impossible to fully resist these protectionist pressures.

"I think it is probably true that we are less protectionist" than both Europe and Japan, says Robert Lawrence, a senior fellow at the Brookings Institution. "Nonetheless, we have a lot of protectionism. We ought not to be necessarily as self-righteous as we are."

FOREIGNERS' VIEW

Not surprisingly foreign officials agree with Mr. Lawrence's assessment. Says Sir Roy Denman, head of the European Communities delegation in Washington: "The good Lord did not ordain that sin only started east of Cape Cod or west of Alaska."

America's trade barriers impose large costs on U.S. Consumers. And while they may save jobs in protected industries, economists say barriers reduce jobs elsewhere in the economy. As President Reagan pointed out at a recent press conference. "No one ever looks over their shoulder to see who lost their jobs because of protectionism."

Clothing tariffs and quotas provide a dramatic example of the high costs of U.S. protectionism. During the 1970s, the U.S. negotiated import quotas with all the major apparel-producing nations, and in 1983 those quotas were tightened substantially. The U.S. also has a tariff averaging 26% of the value on all clothing imports.

As a result, the cost of imported clothing here is more than double what it would be if the U.S. had no trade barriers, according to a recent study by the Federal Reserve Bank of New York. The study, which conservatively assumes that trade barriers don't raise the price of domestically manufactured clothes, estimates that consumers pay a tax of as much as \$12 billion a year to protect the U.S. textile industry. A more comprehensive measurement, according to Georgetown's Prof. Hufbauer, puts the figure at \$27 billion, or \$42,000 for every job saved.

Much of that money goes to foreign companies. Textile-producing nations receive import quotas to allocate to manufacturers. Those quota rights are often auctioned off among producers, and the cost of the quota is passed on to the American importer. When demand is strong, the quotas guarantee manufacturers who hold them a hefty profit.

Clothing quotas are particularly troublesome for those who sell imported apparel. Retailers say they can tolerate tariffs because they are predictable; but quotas produce wide price fluctuations and sometimes block imports altogether.

Spiegel Inc. for example, has encountered many problems since the Reagan administration tightened quotas in 1983. Leo Sansone, the company's assistant vice president for merchandising, recalls that last year the catalog company arranged to buy wool sweaters from Hong Kong at a time when sweater demand was expected to be light, and quota rights—which are auctioned off daily in Hong Kong—were selling at about \$1.50 per sweater. By the time the company decided to reorder more sweaters, strong demand had caused the quota price to soar to \$6.50. As a result, Spiegel had to pay \$18, including shipping and tariffs, for a sweater it had expected to cost only \$10.

Spiegel also recently had a shipment of wool slacks from Taiwan confiscated by U.S. officials, who said the shipment exceeded the island's quota for such slacks. The Taiwanese manufacturer authorized the shipment at the end of 1984, counting it against the 1984 quota. But U.S. Customs counted it against the 1985 quota, which it says has run out. As a result, says Terry Covone, Spiegel's import manager, "we have 150 dozen wool slacks that we've already paid for sitting in a bonded warehouse because we can't get them through customs."

Walter Killough, the company's senior vice president for merchandising, complains that "the way quotas are administered now, it's almost as if the people just want to create problems for us."

ECONOMIC IMPACT

Economists argue that such protectionist policies probably eliminate as many jobs in other parts of the economy as they save in the protected industry. For one thing, when consumers must pay more for clothes, they have less to spend on other items, leading to less employment in other industries. Most economists also believe that import restrictions usually result in reduced U.S. exports.

"I happen to believe there are no jobs saved in the economy as a whole" as a result of protectionist measures, says Mr. Lawrence of the Brookings Institution. Mr. Niskanen of the Cato Institute agrees. "By and large, the number of jobs in the economy is invariant to trade measures," he says.

Some other imported products that are protected by U.S. trade barriers:

Steel. The U.S. signed a quota agreement with the European Communities in October

1982 limiting steel imports. At about the same time, Japan initiated a system of "voluntary" steel export restraints to avoid more direct U.S. trade action. These measures substantially reduced European and Japanese steel shipments to the U.S., but shipments from developing countries soared in their place. In September 1984, the U.S. began negotiating more "voluntary" export restraints with other steel suppliers designed to limit total steel imports. The New York Fed conservatively estimates that these restraints cost consumers about \$2 billion a year by adding 5% to steel prices.

Book manufacturing. The U.S. book printing industry is largely shielded from foreign competition. To be eligible for U.S. copyright protection, virtually all books and periodicals published in this country must also be printed and bound here. According to Prof. Hufbauer, that restriction costs consumers an estimated \$500 million each year.

Ceramic tiles. Makers of ceramic floor and wall tiles are protected by tariffs that average about 25% of the import value. The cost to consumers, Mr. Hufbauer says, is about \$116 million a year.

Peanuts. To prevent imports from undermining its peanut price support program, the government has kept a strict quota on imported peanuts since 1953. The approximate annual cost to the consumer, according to Mr. Hufbauer's research: \$170 million.

Shipping. The Jones Act, which dates back to the 1920s, bars foreign ships from carrying passengers or freight between any two U.S. ports. This protects coastal carriers from lower-cost foreign shipping lines.

Rubber shoes. The U.S. rubber footwear industry is shielded by high tariffs that in some cases have changed little since the days of the Smoot-Hawley tariff act of 1930. The cost to consumers: \$230 million, Mr. Hufbauer says.

Motorcycles. In 1983 President Reagan imposed temporarily high tariffs, starting at 49.4%, on Japanese motorcycles with engines exceeding 700 cubic centimeters. Mr. Hufbauer estimates that the tariff, designed to protect about 2,500 Harley-Davidson Motor Co. workers, cost consumers \$104 million last year.

Trucks. Foreign-manufactured light trucks face a stiff 25% tariff when they cross U.S. borders. The tariff prompted creation of the Subaru "Brat," which escaped the tariff by putting bucket seats in the truck bed to qualify as a car.

Autos. Under a "voluntary" agreement, Japan began restricting auto exports to the U.S. in April 1981. As a result, according to the New York Fed, Japanese car export prices rose more than \$2,000, and cost consumers an estimated \$4.5 billion in 1984. That restraint agreement formally expired last March, but most observers believe the Japanese continue to restrain auto exports to prevent a flare-up of further protectionist pressure. As a result, many Japanese auto dealers in the U.S. continue to add as much as \$2,000 or \$3,000 in "additional dealer markup" onto the sticker price of the cars they sell. ●

S. 1429—THE TERRORIST PROSECUTION ACT

● Mr. D'AMATO. Mr. President, I am pleased today to cosponsor S. 1429, the Terrorist Prosecution Act. The murder of Leon Klinghoffer last month, and

the massacre of 241 marines in Lebanon 2 years ago, demonstrate the urgent need to enact this bill into law.

There is some question whether the murder of American citizens abroad—other than certain officials and diplomats—is a crime punishable by U.S. law. Although the Comprehensive Crime Control Act of 1984 makes it a crime to seize and threaten to kill an American citizen outside the United States, it does not actually make it a crime to kill an American citizen overseas. I commend Senator SPECTER for introducing S. 1429 to fill this gaping hole in our law.

The brutal murder of Navy diver Robert Stethem in June also demonstrates the need for this bill. Criminal complaints and arrest warrants have been issued charging the three hijackers of TWA flight 847 with air piracy and murder. A murder charge was authorized in this case only because the murder of Robert Stethem was committed in the course of an aircraft piracy and was covered by the provisions of the Federal Aviation Act of 1958 and its amendments, most notably those passed by the 93d Congress in 1974 and 1975.

This hit-or-miss approach must be corrected. S. 1429 simply provides that any terrorist who kills or attacks an American in a foreign country, or in international waters or air space, can be brought to this country and prosecuted for his or her crime. This bill requires that any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life. I would encourage the Senate Judiciary Committee to permit such crime to be punished by the death penalty.

S. 1429 also provides that a terrorist found guilty of attempted murder shall be imprisoned for up to 20 years. It authorizes the Attorney General to receive assistance of any Federal, State, or local agency, including the military, to enforce this new law.

This bill also attempts to cover the numerous other crimes that terrorists commit. It makes it a crime to assault, wound, strike, imprison, endanger, or make any other violent attack on the person or liberty of any U.S. national in any foreign country, or to make any violent attack on his or her premises, private accommodation, or means of transport.

Mr. President, this bill should be marked up in committee and brought to the Senate floor at the earliest opportunity. I urge my colleagues to co-sponsor this bill and to give it their full support.●

TARRING WITH THE BRUSH OF CULTURAL BIAS

● Mr. SIMON. Mr. President, shortly after the seizing of the Italian cruise ship, *Achille Lauro*, and the brutal

murder of an American citizen, I heard unfavorable comments about Arabs and Arab-Americans. Then, a bomb was detonated in the office of the Arab-American Anti-Discrimination Committee in California. A man was killed. It is important in these days of increasing terrorism in the Middle East and elsewhere that we are careful who we blame, and careful we do not stereotype. In a column I write for newspapers in my State, I express these concerns.

I ask that the column appear at this point in the RECORD.

The column follows:

[P.S./Washington: A weekly column by U.S. Senator Paul Simon of Illinois]

TARRING WITH THE BRUSH OF CULTURAL BIAS

The other day in California a bomb went off in the office of the Arab-American Anti-Discrimination Committee killing one person and injuring others.

All responsible Americans, whether they are Protestant, Catholic, Jewish or of no religious belief denounce that type of unprovoked attack.

We must solve problems through peaceful means, not violence. If someone disagrees with that organization's goals or activities, the American way is to make a speech about it or send a letter to the editor—not to react with violence, for violence inevitably invites further violence.

But there are more basic questions: Is there discrimination against Arab-Americans and is it wrong?

The answer is yes in both cases.

I am a strong backer of Israel and one of the reasons for that strong stand is the discrimination that Jews have received over the centuries from nations that have described themselves as Christian or Moslem.

All my life I have fought against discrimination, and just as discrimination against Jews or blacks or Hispanics or Italians or Poles or any other group is wrong, so discrimination against Arab-Americans is wrong.

Too often when an Arab appears in a movie it is as some leering, wealthy oil baron with six wives, a caricature that is by no means typical of Arabs.

If an Arab appears in some other role, it is rarely as a hero. The Arabs tend to be "bad guys."

What can Arab-Americans do to help change that image?

First, by calling attention to the fact there is a problem with discrimination against Arab-Americans. Most Americans are not aware of that; we should be told.

Second, the image of Arab countries is one of irrational anti-Israeli policy—true of some Arab countries but not all, fortunately. Arab-Americans who are not anti-Israel and who want to see stability in the Middle East should speak up. Too often silence is viewed by others as agreement with anti-Israeli policies.

What caused me to write this column now were the comments I heard from two people after the seizing of the Italian cruise ship reflected unfavorably on everyone of Arab background.

President Sadat was an Arab, as are a host of others who are contributing positively to a better world.

When Arabs are involved in piracy on the high seas, as some were recently, that should be denounced, not because Arabs did

it but because piracy is wrong whoever does it.

Discrimination is wrong, if it's against blacks or Jews or poles or Italians or any other group. And it's wrong when there is discrimination against Arab-Americans, many of whom are providing important contributions in our country and also want to see peace brought to the Middle East.●

AMERICA'S SPACE PROGRAM IN THE 21ST CENTURY

● Mr. HOLLINGS. Mr. President, last year, the Congress established in Public Law 98-361, the fiscal year 1985 NASA authorization, the National Commission on Space. Pursuant to this act, the Commission is required to "identify long-range goals, opportunities, and policy options for the U.S. civilian space activity for the next 20 years." The Commission also is required to submit a report to the President and Congress by March 1, 1986, containing these long-range civil space policy recommendations.

At present, Dr. Thomas Paine, the Chairman of the National Commission on Space and former Administrator of NASA, and his staff are conducting a nationwide series of public hearings to gather information for the Commission's report. In the course of these hearings, persons from all professions and walks of life are given an opportunity to testify as to their vision of the U.S. civilian space program.

Last week in Cleveland, OH, the Commission got a special treat; they got a dose of the "right stuff" figuratively and literally, when my friend and colleague, Senator JOHN GLENN, presented his testimony to the Commission.

Mr. President, I will be the first person in the Senate to admit that there are many diverse opinions as to what is the future of the U.S. civilian and military space programs, how these programs relate and conflict, and what is the order of priorities amongst and between these programs. However, Senator GLENN's comments before the Commission have brought to the surface the fundamental issue that we all must work to resolve, regardless of what our individual goals are—namely, what will we do now to fashion and maintain a successful 21st century space program?

Mr. President, I think Senator GLENN's testimony presents issues all members of the Senate should be aware of, and I ask that his statement of October 30, 1985, be printed in the RECORD.

The statement follows:

BACK TO THE FUTURE: SOME IDEAS ON AMERICA'S SPACE PROGRAM IN THE 21ST CENTURY
(By Senator John Glenn)

Mr. Chairman, Ladies and Gentlemen: It is a pleasure to welcome the National Commission on Space to Cleveland, which has been host since 1944 to a major contributor to the nation's aeronautics and space

program—the NASA/Lewis Space Research Center.

The research on the power system package for the Space Station going on at Lewis and the recently begun activities at Battelle/Columbus on space commercialization are examples of Ohio's greatly expanding role in the nation's space program, a role that makes your visit to this area highly appropriate and meaningful.

We have come a long way in the space program for the days of the "right stuff" and news headlines about individual heroics. But some things have not changed since those early days. The program still depends on thousands of dedicated professionals, technicians, support personnel, and factory workers—persons whose exploits are unsung but who are the real heroes of America's accomplishments in space.

We all tend to get excited by descriptions of our automated future, artificial intelligence, and the removal of human drudgery by robots. But the space program of the 21st century will still be characterized by the vision, curiosity, determination, courage, and ability of human beings working together toward a common purpose for the benefit of not only America, but all humankind.

And that purpose must not be lost sight of as our space capabilities expand. We should not forget that the space program is, above all, a research program as well as an adventure—an exploration of the unknown and a test of humankind's ability to move out into the cosmos and still function as thinking, creative creatures. We have much to learn, and we cannot afford to divert the serious business of space exploration and utilization into sideshows with joyrides in space for those who hold a lucky ticket. I hope we will hold on to that philosophy as the space program moves into the 21st century.

Now, Mr. Chairman, in accordance with the theme of this meeting of the National Commission on Space, I suppose I could sit here and daydream about what life in the 21st century might be like and, in particular, what our space program could be. Much has already been written about U.S. capabilities in space that will only be possible in the next century, and I will speak to that later on. But rather than recommending a specific 21st century space program, the main purpose of my testimony today is to make a plea for better understanding and recognition of those things which we must do in order to fashion and maintain a successful 21st century program, *regardless* of the specific goals chosen. And, in formulating these action items, I found it useful to go back to first principles with regard to space development policy. These policy principles are contained in the 1958 National Aeronautics and Space Act and they are still applicable today. They state that:

The peaceful uses of space are to be developed.

U.S. preeminence in space science and applications is to be maintained.

Knowledge is to be increased.

Economic and social benefits are to be derived.

Civilian and military activities are to be separated (though coordinated so as not to be unnecessarily duplicative).

International cooperation is to be fostered.

NASA is to be limited largely to research and development.

In reexamining these principles and their implementation, I have identified six major areas where action must begin *now* if we are to move into the 21st century with the kind

of program that is true to those principles, thereby ensuring our continued leadership in space with benefits realized for the entire world.

1. SCIENCE AND MATH EDUCATION

The U.S. space program of the 21st century will be highly dependent on a key human resource—young people, well educated in science and mathematics, who have the talent and the interest to take a hand in the Nation's drive to maintain leadership in space-related activities.

In conducting its own work, I do not believe the National Commission on Space can ignore the disturbing evidence, compiled by other Commissions and by scholars around the Nation, pointing to a serious decline in our pool of qualified teachers of math and science at the pre-college level. Such decline has already had a deleterious effect on the performance and interests of youngsters in the area of science and math, and has ramifications affecting not only our future space program, but our economic health and national security as well.

Here is some of the bad news:

Over the past 21 years, SAT math scores have declined on average by 35 points and verbal scores by 53 points.

In 1984, 44 states reported a shortage of math and physics teachers; 40 states had a shortage of chemistry teachers.

In North Carolina in 1983, one of the few states where such figures are available, 40 percent of the math teachers and 30 percent of the science teachers in grades seven through twelve were not certified in these subjects.

In 1982, a test designed for eighth grade students in Houston, Texas, was given to teachers. Thirty five percent could not convert meters to centimeters; and when given values of the variables, 74% of the teachers could not compute the value of an algebraic expression.

Half of all U.S. high school students do not know that a star is more like the sun than a meteor, comet, moon, or planet; 88% do not know that plastics are petroleum products; and 46% do not know that heat is produced as result of combustion.

Is this a description of the achievement levels of students and teachers in the world's long-term technological leader? Is this the way we will keep up with the Japanese and the Soviets, both of whom produce far more engineers each year than we? Fortunately the picture is not entirely bleak. Reports of the past few years on the deficiencies of our education system from the National Commission on Excellence in Education and the Carnegie Foundation have received wide attention, and some of the recommendations in those reports are being adopted in various states and localities around the country. But progress is slow, and must be stimulated. I am pleased to be an honorary Vice Chairman of the Young Astronaut Program which seeks to stimulate interest among our young people in the space program, and through it, interest in math and science.

I will also be introducing legislation in the U.S. Senate to alleviate shortages of math and science teachers in our public schools. This will be accomplished by providing incentives for qualified, certified engineers and scientists working in the private sector to be given release time in order to teach math and science part time in our schools. We have large numbers of scientific professionals in the United States, including some who may be nearing retirement, that would like to transfer the enthusiasm and excitement

they feel for their profession to our young people. We need to find avenues by which they can do this.

Because the health of our future space program is so tied to our education system and math and science education in particular, I believe the National Commission on Space would be justified in making some recommendations to the President concerning the problems in this area that must be solved.

2. ARMS CONTROL

It may seem like a non-sequitur to raise the issue of arms control in a discussion of our 21st century space program, but in my view it is central to the discussion. We expect to spend about \$303 billion on defense next year, with about \$2.75 billion on the Strategic Defense Initiative. The Administration wants to fund the SDI program at \$26 billion for five years, and then consider deploying some systems which over time might ultimately cost more than \$1 trillion if the full concept of a shield were to be developed and deployed.

Now, I am as strong an advocate of keeping up U.S. defenses as you will find in the Senate, and I have always maintained that we must spend what we must to keep the country free, and then see what our other priorities are.

But, we should not kid ourselves that it will be possible to continue spending a third of a trillion dollars per year for defense, with many times that for deploying special systems developed under SDI, and at the same time mount and maintain an ambitious civilian space program. That does not mean I am opposed to any military activities in space. On the contrary, there is no question but that some aspects of military activity in space can be highly beneficial. For example, without satellite surveillance, verification of agreements controlling the deployment and testing of modern-day weaponry would be virtually impossible. Also, the use of satellites for command, control, and communication involving deterrent forces is important for our own welfare and for maintaining world peace.

But there is a difference between limited, military, passive uses of space and the weaponization of space that would occur under SDI.

I do not see the weaponization of space as being a healthy spur to space development for commercial or other non-military purposes. On the contrary, weaponization of space will make commercial space ventures riskier and will retard civilian space development over the long run.

Therefore, if we do not achieve significant arms control agreements between now and the beginning of the 21st century, we may find that we have spent ourselves out of the market for an expanded non-military space program which will become the province of the Europeans and the Japanese, whose expenditures for defense are minuscule compared to ours.

3. PREVENTION OF SPACE TERRORISM AND PROLIFERATION OF SPACE WEAPONS

Related to my discussion of arms control are my concerns about the future problems of space terrorism and the proliferation of space weapons. It is my expectation that as the 21st century matures, there will be many countries, including some in the Third World (India, Argentina, Brazil, among others), with substantial space programs. Indeed, as the value and prestige of having one's own launch capabilities becomes increasingly appreciated, there will be increas-

ing calls for technology transfer from the "haves" to the "have-nots" in the area of aerospace technology. This is, in fact, already happening, but not on the scale that we will see in the next century.

Because these transfers are clearly coming, and we may see space capabilities possibly fall into the hands of irresponsible governments, it is not too early to begin thinking about the possibility of state-sponsored terrorism in space and how to prevent it. Why do we need to address this in the context of our 21st century space program? Because if the risk of losing a satellite or space station module to terrorist activity is sufficiently high, no one will want to invest the capital, and space development will stagnate. Considering what has happened already in the 20th century, it is not inconceivable that the 21st century might see nations being blackmailed under the pain of having an important and expensive space-based communication link knocked out by a crude ASAT launched by an outlaw nation or subnational group.

One way of dealing with this potential problem is to draw up an international treaty pledging the signatories to noninterference with the peaceful space structures of others, setting up mediation or arbitration panels for adjudicating disputes over such things as orbital space allocations (which may be a problem some day), and adhering to some negotiated rules of trade to ensure that any space technology or equipment transfers are used for peaceful purposes only. Countries refusing to sign the treaty should not be eligible for any assistance, and there should be sanctions for those who violate the treaty. In this way, the transfer of space technology would be limited at least to those nations willing to make solemn political commitments to peaceful uses.

It is of particular importance that nations possessing launch capability be cautious in making certain technology transfers because of the potential for applying such capabilities to ballistic missiles. Engines as well as guidance and control systems for rockets ought to be as carefully controlled by suppliers as certain nuclear technologies are controlled today.

In other words, expanded worldwide space development in the 21st century will need institutions similar to those accompanying the development of nuclear technology and trade in the 20th century (the NPT and the London Suppliers Agreement) and for many of the same reasons.

I urge the National Commission on Space to give recognition to this potential problem in its report to the President, and propose that a ballistic missile/ASAT non-proliferation treaty be drafted as soon as practicable.

4. A MORE VIGOROUS SPACE SCIENCE PROGRAM

Despite some very spectacular successes in recent years, including the fly-bys of Saturn and Jupiter by Voyager II and the Viking program's Mars landing, the space science program of the United States is not really in very good shape. While it is true that there are some interesting, highly visible projects now being pursued (the Space Telescope that will be launched next year, the Galileo project to probe the atmosphere of Jupiter in the late 80's, the Venus Radar Mapper and a significant augmentation of the Explorer Program) the fact is the NASA's overall budget for space science has basically been in a state of decline for over a decade, with solar and magnetospheric physics, x-ray astronomy, and planetary science particularly hard hit. The latter has

been of substantial importance to many of the geosciences. For example, by furthering our understanding of the processes whereby mineral deposits are formed, planetary science may provide unexpected assistance in evaluating, seeking, and discovering these resources on earth.

Other practical activities growing out of space science include monitoring of the ozone layer—so critical to our protection from dangerous levels of ultraviolet radiation; monitoring of solar particle emissions—so that we can protect manned satellites or alter airline routes as needed; and improving weather forecasting.

But I do not make the case for a substantial space science program on practical grounds alone. Space science is an activity that nurtures the deepest desires of the human race to explore, to push back frontiers, to understand our place in the solar system, in the milky way galaxy, in the universe. America should not only represent activity that lifts human beings to new economic heights, it should also represent activity that lifts the human spirit and keeps trying to find scientific answers to ultimate questions, like how did all this begin?

Of course, we have to take account of budgetary limitations, and the Solar System Exploration Committee (SSEC) of NASA has made some excellent recommendations for executing a balance of large and small missions in planetary science. That is a good beginning. We must remember that turning the research funding spigot on and off in accordance with the latest budgetary crunch will not result in producing the best science or the best scientists. Only a national commitment to a long-term, well-funded, program of space science will keep us in the lead in this important area.

Now, although I said I did not want to go into specific recommendations on our space program for the 21st century, I will violate that self-imposed rule by stating that I believe any such program should include a manned mission to Mars, the planning for which should begin right now.

5. COMMERCIALIZATION OF SPACE

The United States is, today, in a position with respect to space commercialization similar to that in the early days of the New Deal with respect to support for the civil aviation industry. At that time President Roosevelt initiated a series of programs providing, at public expense, new and larger airports, navigational aids, and better weather reporting and forecasting. No single company could have financed these improvements, and no single company could have appropriated the lion's share of benefits from investments in research and development. Thus, a government role was a substantial necessity for our aviation industry to grow as large and as fast as it did.

The same is true for commercial space activities. Ongoing investments in government-sponsored research and development and programs for development of a space transportation infrastructure, including the shuttle and a permanently manned orbiting space station are necessities for bringing U.S. commercial activities in space to full fruition.

The promise of benefits for the 21st century is staggering in scope. New pharmaceuticals not capable of being manufactured on earth; new personal communication possibilities from the construction of large antennas in space; energy production and transmission from space; smaller, more reliable, faster computers, robots, and other related electromechanical and electrooptical

devices; improved, high resolution remote sensing for natural disaster warning and mitigation, environmental monitoring, agricultural, mining and marine applications, etc.

But we will not have a viable commercial space industry in the 21st century unless we begin to address and reduce the substantial risks—institutional, technological, and financial—that now retard the commercial development of space.

Reducing institutional risk means formation of a central body in government to which industry can turn for advice, information, policy interpretation, and possibly financial assistance for large projects.

Reducing technological risk means providing wide access to nonsensitive government information and technology, and continuing substantial research and development support.

Reducing financial risk means the establishment of incentives like long-range formulas for pricing government facilities and services; using government procurement policy to stimulate markets for space-produced products or space-related services; and the possible application of short-term tax benefits or government-guaranteed loans.

One thing is certain. With the European Ariane rocket already competing with our Shuttle for launch services, and with the Japanese preparing to compete in both launch and satellite communication services, we will be left far behind in claiming what should be our rightful share of the 21st century's market for space-related business if we do not adopt the right policies now. We cannot afford to drift.

Unfortunately, drift is what may happen to us as a result of short-sighted domestic policies that produce large deficits that, in turn, stifle government initiative, produce pressures in the financial markets due to government borrowings that freeze out the private sector, and ultimately slow down economic activity. Without a healthy economy, we will not see the kind of commercial development of space that can bring the benefits I spoke of earlier. The Commission, in my view, has a responsibility to point out this elementary fact to those who like to proclaim that our future is in the stars, but who also think that deficits are for future Presidents to worry about.

6. SPACE LAW

As more and more nations go into space, and particularly as private companies enter space activity, there will be a need to resolve a number of legal problems, some international and some domestic. There is the problem of whether and how to define outer space, particularly its lower limit, so as to distinguish it from airspace. This is an issue because airspace is subject to the sovereign claim of the territory below it, but outer space is not. Related to this are claims by equatorial nations that the geostationary orbit, the band of space approximately 23,000 miles above earth that is the perfect location for most communication satellites, is a sovereign resource. The United States and other industrialized nations have rejected this claim, but it persists as a legal issue.

There is also the claim by some developing nations that remote sensing of conditions on Earth by satellite should not occur without some form of prior consent and without some rights by the sensed State concerning access to and distribution of the information.

Other problems include the lack of international law to control space pollution. There are, at present, more than 5,600 man-made objects circling the Earth that are tracked. These tracked objects are growing in number by about 300-500 per year.

But untracked objects can be dangerous also. For instance, by one estimate, there may be 40,000 marble-sized objects and from 10 to 100 billion paint flakes in orbit, and collisions with them are beginning to occur. In July 1983, the shuttle orbiter Challenger was hit by a 0.2 mm paint flake that damaged the Challenger's window. Similarly, in April 1984, the shuttle crew brought back to Earth some malfunctioning electronics boxes from the Solar Max satellite. The outer surfaces of those boxes were pitted with 160 holes created by flying paint chips.

Large amounts of ASAT testing by the Soviet Union and United States could seriously exacerbate this problem if such tests explode satellites at other than very low orbits. A small piece of debris created at 800 kilometers would stay in orbit for 30 years, and at 1200 kilometers would stay in orbit for 300 years. Obviously, the use of the most popular orbits will become diminished if pollution control in space does not become reality.

International law is also deficient when it comes to dealing with objects that fall back to earth from space. In 1978, when a nuclear powered satellite owned by the Soviet Union crashed in Northern Canada, the Soviets initially claimed they were not liable for the \$14 million tab to clean up the radioactive debris since no one was injured and no property was damaged. After years of negotiation, they finally paid \$3 million.

Finally, there are legal questions arising from the Outer Space Treaty, done in 1967. Article II of the Treaty mandates that space, including the moon and other celestial bodies, "is not subject to national appropriation by claim of sovereignty, by means of use or occupation, or by any other means." This provision conflicts with the right of a State to maintain jurisdiction and control over objects it launches into outer space. Since it is conceivable that in the 21st century, we may wish to build space structures encompassing large volumes of space or surface areas of the moon, it may be necessary to address and resolve whether the exercise of control and jurisdiction over an enclosed portion of the lunar surface or over an enclosed or utilized portion of some well defined orbital plane above the earth constitutes national appropriation "by means of use or occupation."

In addition to all these issues concerning international law and activities, there are many areas in which domestic law and regulations will have to be formulated or extended, particularly if we wish to encourage the private commercialization of space. It is important to bear in mind that Article VI of the Outer Space Treaty makes States responsible for activities carried out in outer space (including on the moon and other celestial bodies) by any of their private nationals or firms, even if the State does not exercise any direct or indirect control over such activities. If the Bhopal incident were to have taken place on the moon, the U.S. Government would have been liable, not just the company. That is why we must require liability insurance to be carried by any company engaged in privately-sponsored space-related activity.

But some legal issues are not amenable to such simple solutions. As space activity becomes more diverse in the 21st century, and

ownership, financing, and participation, whether public or private, becomes more multinational, it will become more difficult to ascertain what laws apply to diverse actions, and who is to make that determination. For example, will specific criminal offense treaties be necessary as has been prompted by crimes committed aboard aircraft?

And speaking of crimes in space, we have not even sorted out the applicability of our own laws. For instance, it is illegal to murder someone in the space shuttle but there is no law prohibiting it on the moon or in a space station.

Some people have suggested that on long space voyages in the future, we will have to have legal counselors on board to arbitrate disputes.

The point of all this is that as we move further into space in the 21st century, we will also be moving into some uncharted legal territory as well. As a matter of prudence and common sense, we must develop the legal structure and machinery for resolving disputes in space before they occur.

Mr. Chairman, the issues I have raised today are not the only ones that will have to be addressed if we are to move forward with confidence to new heights, both figuratively and literally, in our space program. But they represent, in my view, the core of concerns and problems that we must face and resolve if our future is to be as bright as our hopes. Some of the issues I have raised are a matter of American will and determination alone. But some can only be addressed through international cooperation.

In the larger scheme of things, that may be a blessing. A world that sees the need for common endeavor for high purpose is less likely to be torn apart and possibly destroyed by national rivalries and tensions.

Anyone who has orbited the earth, as I was privileged to do more than two decades ago, cannot view the Earth from that distance and not see it for what it is—a small sphere, in a gigantic heavens, with a fragile ecosystem that spawned the miracle of life. It is hard, under such circumstances, to understand why the inhabitants of this planet cannot resolve their differences peacefully. Perhaps the space program can be one of the elements in bringing greater vision to the outlook of man. ●

WOMEN FOR A SECURE FUTURE SUPPORT THE PRESIDENT'S STRATEGIC DEFENSE INITIATIVE

● Mr. ARMSTRONG. Mr. President, earlier today, I attended a press conference by the Women for a Secure Future, a group of women's organizations expressing their support of the President's strategic defense initiative. I have long held the organizations in attendance in very high regard, but today's statement in support of SDI served to further my respect for them. Representing Concerned Women for American, Renaissance Women, National Pro-Family Coalition, Daughters of the American Revolution, the Eagle Forum, and the National Association of Pro-American, these organizations are primarily concerned with profamily issues such as crime, pornography, and other threats to children and families. But today, they ex-

pressed the belief that all those concerns are meaningless unless we, as a nation, are prepared to defend ourselves through the strategic defense initiative, and remove the mutual assured destruction threat.

I ask that these statements made earlier today be printed in the RECORD.

The statements follow:

WOMEN FOR A SECURE FUTURE

(Joint Statement by Colleen Parro, Nov. 5, 1985)

We are mothers and workers, professionals, students and grandmothers. We share a concern for and interest in the protection and nurturing of human life.

The present and dangerous reign of nuclear terror caused by large numbers of nuclear weapons threatens the futures and very lives of us and our families, and millions of families around the world. We are particularly fearful because no measures have been taken to protect our children and families from nuclear attack.

This lack of defense against nuclear weapons is an irrational, irresponsible and immoral condition which must be changed if we and people everywhere are to have any hope for a secure future.

We refuse to continue to be held hostage by the threat of nuclear attack by the Soviets or other terrorist nations or the possibility of accidental nuclear war. We want America's children to be able to grow up with a sense of security and optimism, not fear, hopelessness and despair. The Strategic Defense Initiative offers a new era of hope, discovery and achievement to the youth of America.

Therefore, we commend and endorse the efforts of the President and the Congress to devise strategic defense systems—SDI—to intercept and destroy incoming nuclear missiles, whether launched deliberately or by accident—that is, the deployment of weapons designed to "save lives rather than to avenge them."

We have the technology today to build a defense for our country if only we have the will to do so. Such a defense will provide the opportunity for the peaceful, commercial and economic development of outer space. We urge the President to call for the deployment of a non-nuclear defense in space before he leaves office. Any treaties preventing such action should be revised or terminated in the supreme interest of the American people.

We want a future, secure and free, for ourselves and our families. This Strategic Defense Initiative offers the best and most realistic hope for achieving that goal. America's women are taking the lead in encouraging President Reagan to make his vision a reality.

STATEMENT BY CONNAUGHT MARSHNER, CHAIRMAN

Dr. Bernard Lown, American leader of the International Physicians for the Prevention of Nuclear War, on learning that the group had been awarded the 1985 Nobel Peace Prize for its antinuclear campaign, is quoted as saying, "We have to live together or die together, as the alternative to coexistence is no existence." We wholeheartedly agree with Dr. Lown's statement, but we also believe that the United States and the Soviet Union coexist on this globe because we DO have a strong defense system.

In order to maintain that strong defense, the National Pro-Family Coalition supports the Reagan Administration's position in accomplishing research and feasibility studies on the Strategic Defense Initiative. As President Reagan has stated, the Soviet Union has already done research in the area, a fact that they do not readily broadcast.

The Soviets would like to maintain an advantage in that area and they would hope that SDI would be used as a bargaining chip at the Geneva Summit, however, we believe that the SDI program should continue on its own merits. The United States needs to continue research and development efforts to preclude a possible breakthrough by the Russians which would place us in a grave strategic disadvantage and with inadequate time to develop a counter system.

The possibility of a U.S. operational SDI system is abhorrent to the Russians. We must be alert to their all out propaganda program to sway world opinion to the position that a U.S. SDI development system is a threat to world peace. We agree with the Reagan Administration's position that development of an SDI system would instead be a stabilizing factor in deterrence and thus bring a positive influence toward world peace.

SDI could very possibly be the cornerstone of peace in the out years. The National Pro-Family Coalition is confident that a strong defense is the foundation of a strong America with the undergirding of opportunities to build strong families and a strong society and thus cement the ideals of freedom in the twenty-first century.

**STATEMENT OF MRS. WALTER HUGHEY KING,
PRESIDENT GENERAL, NATIONAL SOCIETY OF
THE DAUGHTERS OF THE AMERICAN REVOLU-
TION**

Thank you for the opportunity to speak today. As President General, I officially represent the National Society of the Daughters of the American Revolution, a non-political organization whose membership is approximately 213,000 in the 50 States, the District of Columbia, England, France, Mexico, Australia and Canada, comprising 3,146 local chapter groups.

The National Society has a three-fold objective which the members have zealously promoted in the 95 years of its history. These objectives are Historic Preservation, Promotion of Education and Patriotic Endeavor. One of our most consistent endeavors has been to promote patriotism and love of country by supporting a strong United States National Defense posture.

At its annual Continental Congresses, the DAR adopts 14 resolutions which are national in scope. In 1985, one of these resolutions was on the Strategic Defense Initiative. I would like to read the two Resolves:

"That the National Society Daughters of the American Revolution support President Reagan's proposal that the current nuclear theory of MAD (Mutual Assured Destruction) be replaced by MAS (Mutual Assured Safety), guaranteed by the proposed Strategic Defense Initiative; and

"That the National Society Daughters of the American Revolution affirm that the Strategic Defense Initiative (STAR WARS) is a necessary strategy, and call for development and deployment of defensive technologies that can permit the Nation to intercept deliberately or accidentally fired strategic ballistic missiles before they reach the boundaries of the United States, and that

this system not be negotiable in any arms control discussions."

The theme for my administration has been Duty, Honor, Country. For the year 1985-1986, we are using a statement by Daniel Webster which is most appropriate today: "Let our objective be our country, our whole country, and nothing but our country."

The family is important to the National Society. We believe in the education of our children and the protection of their rights. The present reign of nuclear terror caused by a large number of nuclear weapons and a corresponding lack of defensive systems for protection from nuclear attack threatens the future and very lives of our families, and millions of families around the world.

This lack of any defense against nuclear weapons is an intolerable condition which must be changed if we and the families of the world are to have any secure hope for the future. We want America's children to be able to grow up with a sense of security and optimism, not fear and despair.

We are most fortunate to have the Strategic Defense Initiative in our hands and not in the hands of those who have proven to be our bitter enemy in times past. The appalling fact at the present time is that we have NO defense against incoming missiles. That situation must NOT be allowed to continue.

We view with great alarm the efforts of the media to influence the President of the United States of America to bargain away the SDI at the Geneva Summit meeting. This Officer will go to Geneva, accompanying other women who represent our fellow Americans. Our objective is to support the President of the United States of America and what we know to be his will to preserve a defense mechanism which is approved by 81 percent of the people of this country.

PHYLLIS SCHLAFLY STATEMENT ON SDI

Public opinion surveys show that 90% of Americans believe that our nation should be defended against nuclear missiles. Yet, America has no defenses today. If the Soviets fire any or all of their missiles at us, the United States has no way to shoot them down before they destroy us with blast and fallout.

Our present policy for dealing with this vulnerable situation is a policy of revenge—a promise to retaliate and kill as many millions of Russians as we can. This is a policy of Mutual Assured Destruction, known as MAD.

President Reagan has asked, Isn't there a better way? We know there is. That better way is his Space Shield, known as SDI (Strategic Defense Initiative). It is non-nuclear, purely defensive, and cannot kill anyone.

Soviet leader Gorbachev doesn't like this idea because it would deprive 90% of his expensive ICBMs of their ability to destroy their targets. Since Gorbachev and his friends are against SDI, we are proud to stand with President Reagan. We are sure that the big majority of Americans will stand with him, too.

President Reagan is saying to the world, Let's turn the arms race in offensive weapons into a race in defensive systems. That's the one sure way to achieve real arms control and to make nuclear weapons obsolete.

RENAISSANCE WOMEN STATEMENT

In the interest of peace and freedom, the Renaissance Women wish to encourage President Reagan to remain firm in his re-

solve to support development and deployment of the Strategic Defense Initiative.

We realize that military parity shifted to military superiority by the Soviets around 1972 and that the concept of Mutually Assured Destruction is wholly unacceptable as a proper deterrent to military aggression.

We also realize that the ABM treaty, which was the implementation of the MAD concept has been broken on numerous occasions by the Soviets, yet the United States feels morally compelled to comply with it. The SDI research program is comparable with the ABM treaty and is compatible to research the Soviets have been conducting for years.

The SDI research offers the hope that we can enhance U.S. and Allied security through greater reliance on non-nuclear defenses which protect, rather than on offensive nuclear weapons which could kill millions.

Our Nation and our allies face a number of challenges to our security. Each of these challenges imposes its own demands and presents its own opportunities. Preserving peace and freedom is our fundamental goal. The essential purpose of our military forces, and our nuclear forces is to deter aggression and coercion based upon the threat of military aggression.

In addition, the SDI offers the possibility of reversing the dangerous military trends of the Soviet Union by moving to a better, more stable basis for deterrence and by providing new and compelling incentives to them for seriously negotiating reductions in existing offensive nuclear arsenals. In effect, their offensive nuclear weapons would be rendered obsolete by the presence of non-nuclear defensive systems.

Because Renaissance Women are committed to preserving peace and freedom, and believe that the SDI system, if deployed can offer hope for the that goal . . . we support development and deployment for the Strategic Defense Initiative.

**CONCERNED WOMEN FOR AMERICA URGES
SUPPORT FOR STRATEGIC DEFENSE INITIATIVE**

Concerned Women for America, a Christian women's organization which advocates protecting the rights of the family through prayer and action, urges the President and the Congress to fully support efforts to develop the Strategic Defense Initiative. We also urge the President not to restrict or negotiate away the ability of the United States to develop the SDI program at the upcoming Geneva summit meeting.

As women who have particular interest in families, we are concerned that the dangers of a nuclear war threaten the lives of our children and children throughout the world. We believe that the development of the SDI research program will help ensure peace and security for future generations.

The focus of the SDI program is on defensive measures which help protect against nuclear attacks rather than on the retaliatory measures inherent in the current doctrine of mutually assured destruction. A defensive system would also help protect us from the accidental launching of nuclear missiles.

We believe that the SDI research program offers the best military strategy to reduce the dangers of nuclear war. We urge Congress to fully fund the SDI program and we urge the President to protect our right to continue with SDI research and development at the upcoming Geneva summit meeting.

STATEMENT OF JOAN L. HUETER

The United States' vital strategic defense initiative [SDI] must not—under any circumstances—be negotiated away in Geneva—neither its research, development nor deployment.

It is purely defensive, non-nuclear and will kill no one, but—in protecting the United States from Soviet missiles by harmlessly destroying them in space, it will render the huge Soviet missile superiority ineffective.

As long ago as 1983 Pro America's No. 1 resolution called for replacing the failed strategy of Mutual Assured Destruction [MAD] by adoption of a strategy of Mutual Assured Survival [MAS] through a non-nuclear, space-borne defense such as advanced by the high frontier organization to counteract the Soviet nuclear threat by destroying nuclear missiles harmlessly in space.

Since the Soviets have been and continue to be in flagrant violation of all disarmament agreements, as documented recently by Secretary of Defense Caspar Weinberger, continued adherence to such agreements (treaties) or negotiation of more treaties with the same untrustworthy Government is surely not in the best interests of the United States and a very dangerous course to follow—putting in jeopardy our very national survival.

Past adherence by the United States to the violated Anti-Ballistic Missile [ABM] Treaty, the expired Strategic Arms Limitation Treaty [SALT I] and the unratified SALT II Treaty, while the Soviet Union—flagrantly violating those treaties—embarked upon the greatest military buildup in history, has now left us seriously endangered by that Soviet missile build-up.

Need we remind our President and his negotiators that their primary constitutional responsibility is the defense of our Nation—that past agreements with the Soviet Union have failed to reduce the nuclear threat—and that now there is the opportunity to protect lives and property of U.S. citizens from Soviet missiles through implementation of the defensive system being developed under the SDI's existing technology and the immediate embarking upon the vital research, development and deployment of the strategic defense initiative—which must under no circumstances be negotiated away at Geneva or elsewhere.

Disarmament agreements with the Soviet Union (especially those which would ban or limit the SDI's vital defense) in the face of Soviet aggression, military build-up, terrorist conduct, duplicity and violation of past agreements, could be considered tantamount to betrayal of our Nation.●

TRIBUTE TO ROBBIE LYLE

● Mr. PRYOR. Mr. President, this year marks the 20th anniversary of Upward Bound, the federally funded program which provides academic and motivational support to low-income high school students across the Nation. While each of the Upward Bound Programs in Arkansas has enjoyed a high rate of success, the program at Arkansas State University [ASU] in Jonesboro is deserving of special recognition.

Under the direction and dynamic leadership of Mrs. Robbie Lyle, ASU's Upward Bound Program continues to be one of the most successful in the country. Robbie Lyle remains the driv-

ing force behind the program, and her sterling reputation in the special services arena of higher education is nationally recognized. In recent months, Robbie has testified before the Senate Labor and Human Resources Subcommittee on Education, Arts, and Humanities, in support of the TRIO Programs, and brought a group of Upward Bound participants to Washington to meet with Members of the Arkansas congressional delegation. Her indefatigable energy and enthusiasm is all the more refreshing in these times of criticism of our Nation's educators.

Robbie will continue her dynamic pace this year as she assumes the presidency of the National Council of Educational Opportunity Association [NCEOA], an organization dedicated to the continuation and improvement of Special Services programs throughout the Nation. I have no doubt that under Robbie's helm the NCEOA will have a banner year.

Robbie Lyle's dedication to and love for her students should serve as an example to educators across the country. I know my colleagues join me in wishing her sincere congratulations and continued success.●

FOREIGN LANGUAGE STUDY IN OUR SCHOOLS

● Mr. SIMON. Mr. President, I have long been an advocate of foreign language training at all levels of education from elementary through graduate school. The reasons are compelling: we live in an international marketplace, our military and diplomatic corps do not function in an English-speaking oasis in other nations, our researchers compete against Swiss physicists, Japanese computer experts and Soviet biochemists.

An Illinois high school senior makes the case for more foreign language study in the schools in a recent letter to me. Amy Heinz, a 17 year old from Peoria tells me:

I believe a second language is a vital advantage to everyone's knowledge, as well as an advancement in society. In Europe and other countries, schools require students to take English in order to pass each grade. Yet in America, less than half of all high school students actually participated in all four years of a foreign language.

People may ask why kids should be forced to study another language, since most will never use it after they finish school I'll tell you why a second language is important. It is widely recognized that students from abroad excel in their studies. Thus they have a better chance of working up to their potential and succeeding in their goals. When the possibilities of careers involving a foreign language are examined, the numbers seem endless. Besides the establishment of financial security by one of these careers, there is also the satisfaction of being one of the few who are able to communicate with another person who speaks a different language.

I think a bilingual America might help our country compete more with other nations.

I think Amy is right, and I thank her for her insights on this important topic. I commend her comments to my colleagues now and during debate on education legislation as it moves through the Senate in the next year.●

VETERANS DAY

● Mr. RIEGLE. Mr. President, the solemn and peaceful ceremonies that mark Veterans Day bear a striking contrast to the experiences of those brave men and women who risked their lives in the pursuit of freedom. The quiet reflections of today were not possible during the heat of battle for those who fought in distant wars. Whether in the jungles of Vietnam, or the infamous trenches of World War I, decisions and lives were made and given within but brief moments. Veterans Day is a time for Americans to reflect on those who comprise our Armed Forces; past and present.

The original intent of Veterans Day, first known as Armistice Day, was to commemorate "the war to end all wars." It was on November 11, 1918, that the Allies and the Central Powers ended the fighting of World War I. The spirit in the world after the armistice was one of hope and optimism for a world which it prayed had suffered its last debilitating war. With over 10 million dead, and vast areas of Europe in ruins, lofty dreams of a better tomorrow floated freely as people sought to encourage peace between nations.

Soon though, these dreams were to be shattered. Another war, of even greater destruction, enveloped the world in the late 1930's. This Second World War resulted in more than twice as many deaths as the World War I, and a holocaust of destruction beyond imagination.

On June 1, 1954, Congress renamed Armistice Day to Veterans Day in order to honor all of those in our armed services. Gone was the optimism for a world free of the perils of war. A new age had dawned with the dropping of the atomic bomb on Hiroshima and never since has the world been able to enjoy long periods of real tranquility.

It is never the wish of a government to send its young to war. They are our future and hope for a more enlightened and peaceful world. But, within this great Nation's history the need for these very difficult sacrifices has called our youth away from stable homes into the treacherous and controversial places of conflict.

A visit to the memorial commemorating our most recent large-scale conflict, the Vietnam war, moves me deeply when confronted with the

memory of those whose potential our country will never fully realize. My heart goes out to the families whose hopes and aspirations for their youth were relinquished in this most controversial of wars.

Words prove inadequate to our feelings of loss when young people are killed. It is important that we continue to provide veterans and their dependents with programs that demonstrate our immense gratitude for their efforts on our behalf. My State of Michigan has over 1 million veterans. This amounts to over 100 veterans per 1,000 civilians. Veterans, dependents, and survivors of deceased veterans make up almost one-third of our Nation's population. It is only fitting that we as a society display our appreciation and continue to maintain and improve the quality of life for them.

While it is impossible to fully repay those brave veterans who have, and who continue to give of themselves, we can show them our gratitude throughout the year. It must forever be remembered that without their immense dedication and valor to our country's ideals, the United States, as we know it would not exist.●

ORDERS FOR WEDNESDAY

RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. on Wednesday, November 6, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators not to exceed 15 minutes: Senators GLENN, PROXMIRE, and GORE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS UNTIL 11 A.M.

Mr. DOLE. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, following routine morning business, it will be our intention to turn to the nominations on the Executive Calendar, but specifically the nominations of Vance L. Clark, of California, to be Administrator of the Farmers Home Administration, and Orson G. Swindle III, of Georgia, to be an Assistant Secretary of Commerce.

Following the disposition of those nominations, if they can be disposed of by 1 o'clock, but in any event at 1 o'clock, the Senate will turn to House Joint Resolution 372, the debt limit. I believe there may only be two amendments, one will be an amendment by Senator MOYNIHAN, which will be offered and withdrawn, and the other will be an amendment by Senators DOMENICI and CHILES, which I believe we can agree to. Final passage would follow that at about 2 o'clock.

It is also my hope that, following the disposition of House Joint Resolution 372, the Senate will turn to H.R. 3327, the military construction appropriations bill. I understand that process is being cleared. There is a report waiver that is being checked out.

If we can dispose of that tomorrow afternoon, then we can turn to the nomination of Alex Kozinski, under a time agreement. He has been nominated to be U.S. circuit judge for the ninth circuit. Hopefully we can finish that in the early evening.

We are also attempting to reach some arrangement on civil service retirement for Thursday morning. As I have indicated earlier, unless Senator ZORINSKY indicates he wants us to proceed, we will defer any action on the agriculture bill for the balance of the week. That would leave us with reconciliation pending. We will be meeting tomorrow, I believe at least Senator DOMENICI wants to meet, all of us, to see if we can find some resolution to that.

So it is possible, with a little luck, we might be able to finish our business this week by late Thursday evening.

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. DOLE. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until 10 a.m., on Wednesday, November 6, 1985.

The motion was agreed to; and, at 7:32 p.m., the Senate recessed until Wednesday, November 6, 1985, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 5, 1985:

DEPARTMENT OF STATE

Winston Lord, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

James W. Spain, of California, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

NICARAGUA'S STATE OF EMERGENCY/CONFUSION MORE OR LESS THAN MEETS THE EYE?

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. BROOMFIELD. Mr. Speaker, I was gratified to see press reports on October 31, indicating that the Sandinista regime in Nicaragua restored a few of the fundamental civil rights it suspended in its sweeping state-of-emergency announcement on October 15, 1985. According to those reports, the rights to a jury, counsel, and protection from self-incrimination were restored, as well as a limited right to habeas corpus, not including those charged under the broad and frequently invoked categories of national security and public order.

Naturally I would like to think that this laudable action, taken by the legislative assembly, which regrettably ratified all of the other suspensions of basic civil rights at the same time, was a response to the introduction of House Concurrent Resolution 222 by Mr. YATRON, Mr. LAGOMARSINO, Mr. MURTHA, and myself 2 days before. That legislation condemns the egregious suspension of Nicaraguans' rights and the increasing official repression of the Catholic Church by the Sandinistas. Many of us believe that the Sandinistas' public relations representatives in the United States closely follow U.S. public and congressional opinion, to include monitoring the CONGRESSIONAL RECORD, and I feel certain the Sandinistas were aware of House Concurrent Resolution 222 soon after its introduction.

Of course, the Sandinistas have denied that the very limited restoration of a few suspended rights was in any way a concession to widespread criticism of the state-of-emergency decree. Instead, the official Sandinista explanation is that the reinstated rights to a jury, counsel, and so forth, were accidentally suspended due to what they described as a "technical error" in the state-of-emergency decree. Frankly, it would seem a little difficult for even the most gullible to accept that anyone could inadvertently suspend the right to trial by jury, for example. But, perhaps under the Sandinista regime practically no one noticed because of the marginal difference between being tossed in the slammer for so-called counterrevolutionary crimes by one Sandinista judge or by 12 Sandinista jurors.

Another hypothetical explanation is suggested by some, presumably more favorably disposed toward Sandinista rule. That theory suggested that it was not until El Presidente Daniel Ortega had acquired a premium pair of eyeglasses, with designer

frames, to the reported tune of some \$3,500 possibly charged on his Diners Club card, that the Sandinista chief was able to discover the little drafting oversight which unintentionally suspended an accused's rights to a jury, counsel, and protection from self-incrimination, et cetera. I suppose proponents of this hypothesis will blame Contra activities for the apparent low state of revolutionary optometry in Nicaragua which caused Mr. Ortega to miss the relevant little nuance in the original decree.

Whatever the real explanation, I suppose we should be grateful for any improvement in the desperately bad human rights situation in Nicaragua, however insubstantial it might be in practice.

100,000 DEAD IN ETHIOPIA

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. ROTH. Mr. Speaker, up to 100,000 Ethiopians have died this year as a result of Ethiopia's Forced Resettlement Program. According to evidence provided by a Harvard University research group, international relief agencies, and Western Government sources in Addis Ababa, thousands of men, women, and children have died in transit to so-called resettlement camps. Tens of thousands more have died from malaria contracted in the camps.

The Sunday Times of London reports that relief agencies refuse to publish evidence of the deaths "because they fear that Ethiopia's Marxist Government will expel them and that such horrific news may dry up donations from the West."

Cultural Survival, Inc., a research group associated with Harvard University, will soon publish the results of its interviews with 250 Ethiopian refugees who have escaped from the resettlement camps. Jason Clay, director of research at Cultural Survival, Inc., recently gave members of the Foreign Affairs Africa and Human Rights Subcommittees a preview of his findings. It is the most scientifically conducted research done by any government or private agency into the causes of the present famine.

Jason Clay's findings are corroborated by the State Department and AID in their report to Congress on Ethiopia last month. The French organization, Medecins Sans Frontieres, has described the resettlement campaign, alleging that "thousands of people were forced to move by Ethiopian militiamen. They were herded like cattle into trucks and buses at feeding centers and villages in the north." A secret report by the League of the Red Cross shows that

"conditions in the resettlement areas of southern Ethiopia have been appalling. The peasants have lacked food, housing, tools, seeds, and medical facilities."

Just last week, the Associated Press reported that trucks from a British relief agency, Save the Children Fund, were commandeered by the Ethiopian local authorities. These trucks were used along with others to take about 600 people from the feeding camp in Korem to transit points south. Rumors of the impending resettlement prompted most of Korem's 20,000 residents to flee into the surrounding mountains. Nonetheless, the Ethiopian Marxist Government continues to describe the resettlement program as voluntary. And it intends to find close to 1.5 million volunteers over the next several months.

There is a scourge of death in Ethiopia, perpetrated by the regime of Chairman Mengistu Haile Mariam. Because of the ramification his work has for us in this Congress, I am reprinting below Jason Clay's entire testimony.

PREPARED STATEMENT OF DR. JASON W. CLAY, DIRECTOR OF RESEARCH, BEFORE THE SUBCOMMITTEES ON AFRICA AND HUMAN RIGHTS, COMMITTEE ON FOREIGN AFFAIRS

My name is Jason Clay. I am a Doctor of Social Anthropology representing Cultural Survival, Inc., a non-profit, human rights organization located in Cambridge, Massachusetts. Cultural Survival's activities—assistance projects, research and publications—address both the urgent and chronic problems confronting indigenous peoples throughout the world.

Five years ago, as Director of Research at Cultural Survival, I began to systematically interview refugees from Ethiopia about the persecution and discrimination that caused them to flee the country. Cultural Survival's intent was to document the human rights violations that were occurring in areas of Ethiopia where outsiders were not allowed free access. Restrictions on the movements of diplomats, journalists and relief workers as well as the presence of government officials or official translators has made it difficult to find out what is happening in these areas.

Since 1980, our interviews with refugees from each of the major ethnic groups in Ethiopia indicate that the present government is attempting to systematically destroy the culturally distinct groups within the country. This systematic destruction appears to be based on the goal of creating a strong central state upon which each community is dependent. By confiscating land, moving dissident peoples from their own areas onto the land or even into the villages of others and imposing, under the guise of state socialism, local organizations which destroy the ability of communities to remain self-sufficient in food production, the government is attempting to achieve their goal. As we have seen in the past year, even though the state has succeeded in making these communities dependent by re-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ducing their productive capacity, it cannot provide food for them. This is the context within which Western humanitarian assistance is being used.

The Ethiopian government's public statements indicate that regional variation in its policies results from the different administrative units' relative autonomy. Our research suggests, however, that while there is considerable difference in government policies, these differences result from the central government's assessment of which policies are necessary to fundamentally undermine the cohesion of the different cultures in Ethiopia's many provinces. Since the nineteenth century, the Amhara ethnic group has dominated Ethiopia's governments. Representation in high government positions by non-Amharas was reduced even further after the present government came to power. The reduced representation by non-Amhara in future government decisions was further ensured by Ethiopia's new workers party which contains an even smaller proportion of people from other ethnic groups.

The government's policy to create communities dependent upon the state has exacerbated the present famine in the northern administrative regions. Even though rainfall and agricultural production in 1984 were high in the southwest—a region overwhelmingly dominated by the Oromo, the largest group in Ethiopia accounting for more than half of the country's population—as a result of the government's resettlement policies, famine spread to this area. The government has diverted many Western, famine relief programs to help ensure a socially and economically dependent Ethiopia.

My testimony today is based on information collected in the Sudan by Cultural Survival in February and March 1985. The objectives of this research were to investigate the causes of famine in Ethiopia by interviewing those directly affected. This research was undertaken by three people—myself, anthropologist Bonnie K. Holcomb and Swiss journalist Peter Niggli. Each of us interviewed Ethiopian refugees in Sudan. I talked with refugees from contested areas of Tigray. Peter Niggli spoke with people from Tigray and Wallo who had been forcibly resettled in the Asosa region and later escaped to Sudan.¹ Bonnie Holcomb also interviewed escapees from the resettlement sites as well as local residents who had been displaced or forced to leave the area due to the taking of their land and the financial hardships they faced as a result of the resettlement program. Nearly 250 interviews were conducted in person or with independently hired translators. Interviews were conducted privately away from Sudanese officials or representatives of the various liberation fronts. People who were interviewed were selected on the basis of a mathematically calculated random sample at each location.

The results of this research are important for two reasons. First, it is the most scientifically conducted research on the largest sample by any government or private agency into the causes of the present famine. Second, it challenges assumptions on which most humanitarian assistance from the West has been based.

While the information collected from these refugees, I have no doubt, is reliable, it is not clear how representative it is for

populations still in Ethiopia. Independent sources, however, have increasingly corroborated our data. Clearly, there is a need for reliable, systematically collected information from inside Ethiopia which is independent of the government. Our data, because it draws into question the political purposes of many government famine programs, indicates that the collection of such information would be a responsible course of action for any government or organization considering further famine or development assistance in the area.

With regard to the first question before the subcommittees, "Is the Government of Ethiopia engaging in a policy of deliberate starvation of its own people, particularly in dissident regions of the country?" The answer is complicated, but unequivocally yes. Government representatives carrying out several different policies have destroyed food supplies, disrupted normal commerce which would have allowed individuals to acquire food, prevented people from reaching food, withheld food from those in need, forcibly relocated people well away from their own ample food supplies, forcibly cleared areas of indigenous occupants to make room for settlers, and imposed crushing tax and contribution levels on peasant producers which force them to sell their food and productive assets such as oxen or even seed for the next year.

The present government is centralizing state authority to an extent that was not even projected under previous Amhara-dominated governments. Peasant producers in the southwest, for example, insist that they now pay more to the Amhara-dominated central government than they ever did to landlords and tax collectors combined in the past. In addition, by allowing local peasant associations to rid dissidents by volunteering them for resettlement, resettling them on lands belonging to homogeneous cultural groups and then promising them positions in the local militia and using 15 percent to infiltrate communities in the south and southwest, the government is establishing a dependent, but loyal, local leadership which will keep most people in the country under surveillance.

I will present only a few of the findings of our research. The full report will be available at the end of the month. In order to demonstrate how government policies vary from area to area I will present our findings in four sections—the contested areas of Tigray, the government-held areas of Tigray and Wallo, the resettlement program, and those in southwestern Ethiopia displaced by the resettlement program.

THE CONTESTED AREAS OF TIGRAY

People from contested or TPLF (Tigrayan People's Liberation Front) areas did not believe that they could safely go to government feeding centers and receive food without being resettled.

Some people from these same areas indicated that they were denied food at government feeding centers because they did not have the required peasant association or kebele identification cards.

Seventy-seven percent of the famine victims interviewed in Sudan who came from contested areas of Tigray indicated that in 1982, 1983 and 1984, the Army burned houses in their village as well as crops standing in the field, piled ready for threshing or stored in granaries or houses.

Twenty-five percent of those interviewed indicated that the army had stolen their oxen (essential for plowing), their farm

equipment and food from their farm within the past 3 years.

Everyone from the contested areas indicated that the army attacked during periods of planting and harvesting. They said that this was done to reduce agricultural production and make the areas more dependent on the central government. Delays in planting, for example, do not allow farmers to take advantage of early rains, a critical factor when rains end early as they did in 1983 and 1984. Delays in planting also allow both weeds (striga) and insects (armyworms) to become established in fields before crops have been sown. Some 90 percent of those who first fled to Sudan reported that armyworms were the major cause of famine. According to agricultural experts in the United States, the parasitic weed striga, which attacks the roots of crops, can cause crop losses of up to 90 percent. In many cases the farmers would not even be aware of its existence. In the course of the interview, they also indicated that army attacks had delayed planting in their villages.

Twenty percent of those from contested areas indicated that civilians in their village had been killed by the Ethiopian army in the past three years.

Most interviewees indicated that the favorite bombing targets were collections of civilians—schools, churches, weddings, funerals and markets. The purpose of the attacks, they said, was to demoralize the population and disrupt commerce. Many individuals, for example, reported that they had lived through far worse droughts without suffering, but now they cannot even travel from town to town to trade because most markets must be held at night.

GOVERNMENT-HELD AREAS OF WALLO AND TIGRAY

Peasant associations are required to "nominate" their quota for resettlement before they are given relief grain to be distributed to their remaining members. For example, 75 percent of those interviewed who had resettled from Wallo indicated that they had been told by their peasant association to go to nearby government centers to get food rations. Instead they were arrested and taken for resettlement.

Those identified by their peasant associations for resettlement often included young men who were thought to be potential TPLF recruits, or individuals who were suspected or out of favor with local officials. Moslem areas of Wallo also appear to have had more people taken for resettlement.

Many from Wallo indicated that production from their land can be high but erratic; many years it yields very little. In the past farmers always saved grain from the good years to tide them over when production was poor. Now, the government takes all surplus production so there is famine.

THE RESETTLEMENT PROGRAM

The death rates reported for the resettlement sites ranging between 33 and 270 per 10,000 per day are extraordinarily high, especially considering few children or old people are in these sites.

Contrary to government reports, none of those we interviewed voluntarily resettled. They all claim to have been "captured" for the program. They were guarded throughout the move as well as in the new sites. Ten percent reported seeing people killed who tried to escape.

More than 86 percent said that they had been forcibly separated from some or all of their family.

¹ Many of Peter Niggli's interviews are reprinted in German in his report, *Äthiopien: Deportationen und Zwangsarbeitslager*, Frankfurt, May 1985, 80 pages.

As many as 20 percent of the people taken from the same villages died before they arrived at the resettlement camps. Relatives who attempted to bring food to those in holding camps before their trip to the southwest were denied entry to the camps and even beaten.

More than 60 percent of those resettled from Tigray reported that they had been imprisoned at least once during the resettlement process.

Some 60 percent of those interviewed reported that they saw people die en route to the resettlement sites.

Those resettled were given one or two small rolls of bread per day. They were also given very little water. The lack of bread and water, people suspected, was to weaken them so they would offer little resistance and not attempt to escape.

In the resettlement sites people were given from 5 to 25 kg. of grain per month and expected to work 11-hour days, 6.5 days per week.

More than 40 percent of those resettled from Tigray and Wallo reported that they had been beaten either during the resettlement or at the sites. An additional 20 percent reported that they only witnessed beatings. They reported that people were beaten if they asked for more food, complained about conditions, urinated without permission or did not fulfill their work quota.

The number of militia present at the resettlement sites varied from 1 per 12 colonists to 1 per 100 colonists. The ratio varied depending on whether the site was fenced and how far the site was from the Sudan border. Militia who allowed too many colonists to escape were hung or made to work in the fields.

PEOPLE DISPLACED IN SOUTHWESTERN ETHIOPIA

A number of distinct peoples in southwestern Ethiopia have been deliberately displaced by the government since it took power. Prior to 1979, Gittan speakers were displaced by the implementation of the original land reform. They moved into the Begi region where they reestablished their agricultural systems independently of the central government. Between 1979 and 1982, the Anuak, Dungula/Barta and Komo were all displaced from their traditional lands in southwestern Ethiopia as the government sought to incorporate "uninhabited" lands into its resettlement program. From 1983 to the present, the government has tightened government tax and "voluntary" contribution programs, increased settlement in the area and forced a wave of Oromo refugees to flee to contested areas along the border or into Sudan.

Half of those who fled Ethiopia to Yabuus, indicated that the government had taken the land that they had used for generations. It is the land being used for the resettlement programs, but most of it is not used now.

Nearly three-quarters of those interviewed in Yabuus indicated that required attendance at peasant, women and youth association and literacy campaign meetings during key periods of agricultural labor significantly reduce production. Crops are not planted at the appropriate time because the land is not prepared. Weeds choke crops and wild animals (pigs and primates) destroy crops.

Twenty-five percent of those at Yabuus indicated that serving their required time in the militia or in roles appointed by peasant association officials kept them from working in their fields.

More than 63 percent said that the disarming of the local population left them de-

fenseless to protect their crops from wild pigs and primates.

More than 40 percent of those in Yabuus reported that high taxes and "voluntary" contributions force farmers to sell oxen or even seed and reduce their productivity. Nearly 15 percent reported that their oxen were forcibly taken by the state as part of collectivization programs or for those resettled in the area.

More than a third reported that all their production, even seed, had been taken by the government in taxes.

More than 95 percent reported that the four to five days per week of work required on communal peasant association plots during key periods left them little time to work on their own plots. Contrary to the government's stated policy, interviewees claimed that they never received any payment for the production from communal plots. They could, however, buy the grain at the regular market price.

More than 86 percent of those interviewed indicated that their imprisonment for such crimes as missing meetings, not paying taxes, fees or contributions, refusing to arrest a friend or neighbor, speaking up at meetings, questioning the local officials' decisions, being Oromo, being accused of assisting the OLF (Oromo Liberation Front) or being suspected in general keeps them from their fields. If an individual misses a peasant association meeting he is punished by ten days in prison. If imprisonment comes during the planting or weeding periods, it can seriously reduce total production.

In response to the second question put to me by the two sub-committees, "What is the general human rights situation in Ethiopia?" I think the above examples are sufficient indicators of the human rights conditions in Ethiopia of both individuals and groups. Internationally, there is little agreement about the human rights of individuals, even less about those of groups. At this time, Americans must seriously consider the kinds of conditions they want to perpetuate in Ethiopia through either famine or development assistance programs funded either by the American government or PVOs. The Ethiopian government has made it clear that it is less concerned about the negative impact of its programs on specific cultural groups in the country than it was with imposing its rigid programs to reorganize production and society.

INTRODUCTION OF LOCAL TELEPHONE RATEPAYER PROTECTION ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. WYDEN. Mr. Speaker, in the October 29, 1985 edition of the Wall Street Journal, reporter Jeanne Sandler tells the story of John Weyrick, an Orlando, FL, small businessman who was able to obtain more work, thanks to a new, high-technology phone gadget that kept track of the telephone numbers of everyone who called him—even when they didn't leave a message.

To me, this story was good news. I'm all for John Weyrick having access to whatever new whizbang phone gadgetry he can

afford. It helps his business and it helps the phone company's business.

But it's not right to make senior citizens and small corner grocery store owners subsidize John's new high-technology service.

That's why I'm introducing a bill which will make sure that all the parties—John, the phone company, the senior citizen, and the grocer—come out ahead.

Here's how my bill—which I'm calling the Telephone Ratepayer Protection and Technology Promotion Act—works.

State utility commissions will be given the authority to allow local Bell operating companies to provide new information services and to manufacture telecommunications equipment. In exchange, the commissions must first set up regulations which prevent the phone companies from using any of the revenues derived from the provision of basic local phone service or other regulated services to help pay the costs of these new services.

Everybody wins under this bill. The elderly woman pays only for what she gets—basic phone service. John Weyrick pays for what he gets—access to new technologies that improve his business prospects. And the local phone company gets what it needs—the ability to develop new technologies and new services so that they can compete in the emerging telecommunications market.

No one pretends that this bill will single-handedly solve all of the problems that have arisen in the wake of the divestiture of AT&T. We have a long way to go to ensure that all Americans have access to affordable phone service, and that all of the players in the telecommunications marketplace have the ability to compete on a level playing field.

I do believe, however, that this legislation symbolizes what we need more of if we are to solve those problems: Approaches that promote competition in those sectors where the market will bear it but provide basic protection in those areas where it will not.

In sum, this bill recognizes that the goals of universal service and technological innovation are not incompatible. We can have affordable service for everyone. And we can foster the technological explosion in telecommunications. I believe that's why this bill has the support of the Consumer Federation of America and why I am optimistic that it will also be favorably received by the local operating companies.

The text of the bill follows:

H.R. 3687

A bill to permit the Bell operating companies to provide information services and to manufacture telecommunications equipment so long as such services and manufacturing are not subsidized with the proceeds from the provision of local exchange telephone service or other regulated telecommunications services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telephone Ratepayer Protection and Technology Promotion Act of 1985".

SEC. 2. AUTHORITY TO PROVIDE INFORMATION SERVICES SUBJECT TO STATE REGULATION TO PREVENT CROSS-SUBSIDIZATION.

Notwithstanding any other provision of law, a Bell operating company may engage in the provision of information services or in the manufacture in the United States of telecommunications equipment, or both, to the extent permitted by regulations that—

(1) are prescribed by the State commission in each State in which such operating company, or any entity controlling such operating company, provides local exchange telephone service or any other telecommunications service;

(2) prevent such operating company from using the revenues it derives from the offering of local exchange telephone service or any other regulated telecommunications service or product to defray any costs associated with engaging in the provision of information services or the manufacture of telecommunications equipment, or both; and

(3) ensure that a reasonable portion of the joint and common costs of plant, equipment, and other resources is allocated to the provision of information services or the manufacture of telecommunications equipment, or both.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "Bell operating companies" has the same meaning as such term has in the Modification of Final Judgment entered August 24, 1982, in *U.S. v. Western Electric*, Civil Action No. 82-0192 (United States District Court, District of Columbia), except that such term does not include any centralized organization for the provision of engineering, research, and administrative services, the costs of which are shared by such operating companies or their affiliates;

(2) the term "information services" has the same meaning as such term has in such Modification;

(3) the term "telecommunications equipment" has the same meaning as such term has in such Modification, except that such term includes customer premises equipment (as defined in such Modification); and

(4) the term "regulated communications service or product" means a telecommunications service or product for which the rates are subject to review and approval or disapproval by a State commission.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on September 1, 1986.

GIVING SUPERFUND A CHANCE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. EDGAR. Mr. Speaker, here we are a year after the House overwhelmingly approved a strong Superfund bill by a vote of 323-33, yet we still have not reauthorized Superfund. Instead we are caught up in an internal political squabble that is stalling the drive to pass a rigorous toxic cleanup program, a program that is in dire need of improvement in light of the Environmental Protection Agency's pathetic record of five cleanups in 5 years. How long do the people of Pennsylvania and all Americans have to wait before they feel safe in their own neighborhoods?

I have been joined by over 100 of my colleagues in sending a letter to the House leadership to show our concern for the passage of a credible Superfund bill, one that incorporates minimum provisions on such matters as citizens suits, community right-to-know, and cleanup standards. Citizens around the country have spoken out for a expended, more effective Superfund Program.

The Philadelphia Inquirer has joined this call for the strongest possible Superfund bill. This past Saturday, the Inquirer specifically endorsed the Superfund bill reported by my Committee on Public Works and Transportation; as I have repeatedly said, the Public Works version is the appropriate vehicle for floor action on Superfund. I commend this editorial to my colleagues, and I urge them to support the Public Works bill when the full House takes up Superfund. The editorial follows:

[From the Philadelphia Inquirer, Nov. 2, 1985]

GIVING SUPERFUND A CHANCE

Last year the House of Representatives voted to reauthorize a strong Superfund program by an overwhelming margin of 323-33. The enormity of that bipartisan vote was attributed generally to the fact that members faced re-election and knew the voters at home wanted get-tough programs that would clean up hazardous wastes.

Something's changed this year. The legislation that in 1984 whizzed through the House (only to die in the Senate) has been stalled by a few House members who assert that there isn't broad-based public support for a rigorous chemical cleanup program.

Nothing could be further from the truth. In a recent Time magazine survey, 79 percent of the Americans polled said that "not enough" has been done to clean up toxic-waste sites, and 64 percent said they would be willing to pay higher state and local taxes to fund cleanup programs in their communities. With each new discovery of an abandoned toxic-waste site, contaminated groundwater supply, or polluted river, the constituency for strong cleanup regulations grows. Chemical contamination is so pervasive that the health of millions of Americans already is being endangered.

They hardly would be protected by the bill that emerged from the Energy and Commerce Committee, chaired by Rep. John D. Dingell (D., Mich.). Many of the components vital to making Superfund do the job it was intended to do had been removed, including cleanup schedules and standards. Fortunately, a second bill that contains those provisions and others was approved by the Committee on Public Works and Transportation, chaired by Rep. James J. Howard (D., N.J.).

Members of both committees have begun meeting in an attempt to work out an agreement on the two bills. The extent of differences between the bills—and the strong feelings that exist on both sides—make observers less than optimistic that a compromise can be reached. It will then rest with the House Rules Committee to decide which measures goes to a vote.

The Superfund program, which officially expired at the end of September after five years of existence, has not lived up to the expectations of those who enacted it. No one in 1980 understood the magnitude of the problem, or the complexities of cleaning up this witches' brew of chemicals. The EPA

grossly mismanaged the program during the first years of its life, and the success stories wrought by Superfund efforts are few.

But those are precisely the reasons that a strong, fully funded Superfund program must be enacted. If House members question whether there is a groundswell of support for a Superfund that will do the job, they ought to talk to their constituents. Better yet, their constituents ought to tell them.

A RETURN TO THE GOLD STANDARD

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. GINGRICH. Mr. Speaker, at a recent townhall meeting a constituent, Mr. Kent Kelly, read a statement that he had carefully prepared. In it Mr. Kelley calls for a return to the gold standard. He raises some interesting points that I think would be of interest to my colleagues.

A PUBLIC STATEMENT OF CERTAIN HISTORICAL FACTS AND A CALL FOR RESOLUTE ACTION IN THE CONGRESS OF THE UNITED STATES IN OUR FINANCIAL CRISIS

(By Kent E. Kelley)

Whereas the Governor of the largest private bank in the United States, the Farm Credit System, did on September 6th, past, admit the serious financial condition of that Bank and confess that an infusion of billions of dollars of public monies would be needed in the future to avert collapse of our Nation's farm industry, and, Whereas, also, the third largest bank, the Bank of America is in serious financial straits at this moment, and,

Whereas the Federal Emergency Powers Act is still in force and that such powers may be invoked in a national financial crisis—which powers include provision for the control of the citizens of this Nation in manners never before known in this land of the free, and,

Whereas member banks of the privately owned Federal Reserve System are daily creating their own form of private money which credit-basis money is neither legal tender nor lawful money of the United States of America, and

Whereas this fiat money almost ruined this Nation in the decade following the Declaration of Independence and that few among our citizens are aware of the root cause of our present dilemma which is that which faced our founding Fathers as they gathered together in the Constitutional Convention. President Andrew Jackson reminded the Congress in the eighth annual message, on December 5, 1836, of the "purpose of the Convention" as we quote from his text:

"It is apparent from the whole context of the Constitution as well as the history of the times which gave birth to it, that it was the purpose of the Convention to establish a currency consisting of the precious metals. These were adopted by a permanent rule excluding the use of a perishable medium of exchange, such as of certain agricultural commodities recognized by the statutes of some States as tender for debts, or the still more pernicious expedient of paper currency."

President Jackson knew what his predecessor, President Madison, had recorded in his notes earlier as a member of the Convention when the "purpose of the Convention" was being debated on August 28, 1787: Article I, Section 10 of our Constitution. Madison recorded in his notes of that day the sentiment of the majority as expressed by the senior Statesman in the Assembly, Roger Sherman: "Mr. Sherman thought this a favorable crisis for crushing paper money." As an astute scholar in and a teacher of History, Congressman Gingrich, you most assuredly know of these historical facts. And as our Representative, you are also fully aware of the fact that this "purpose of the Convention" according to President Jackson as a "permanent rule" still manifests the Supreme Law of the Nation in the currency of the realm and is the means of resolving our crisis today as it was then. I read now, in open assembly that specific, unamended, portion of our Constitution which Mr. Sherman pressed "for crushing paper money", Article I, Section 10:

No State shall . . . make any thing but gold and silver coin a tender in payment of debts;

Mr. Representative, we call upon you to exert all of your best effort in re-inforcing this Law by providing to the States that which only Congress has the power to do as set forth in Section 8 of the same Article:

To coin money, and crush unlawful paper money. Use only lawful silver or gold certificates which are redeemable in lawful coin per the Coinage Act of 1792.

And in conclusion, Congressman Gingrich, we do invite your attention to a corollary of equal importance—of which we trust that your careful scrutiny will yield the introduction of proper legislation.

Whereas the Supreme Court of the United States did in that landmark decision of May, 1895, the *Pollock vs. Farmers' Loan & Trust* case, which decision still stands to this day, in substance said that an income tax, being a direct tax, and not according to the rule of apportionment, is unconstitutional, null and void, and, Whereas the advocates to such an income tax did seek to circumvent this non-reversed decision by Constitutional Amendment, and, Whereas the whole framework of our present system of income taxation "without apportionment among the several States" is based upon this supposedly lawful, supposedly ratified Amendment, and, Whereas on June 6, 1985 certified evidence from the archives of the forty-eight States (c.1913) was introduced into the Record of the United States District Court, Northern District of Georgia, in Case No. CR 85-215A, being the *United States vs. Terry Lyle*, which brief, in excess of 500 pages, purports to show that the aforementioned Amendment XVI has never been ratified, and, Whereas this citizen (and many others) have studied the saliently significant documents submitted and have come to the opinion that this Case is worthy of most careful study—not of the procedures but of the substance of the brief—by our esteemed Representative and in turn by the Congress itself. Mr. Representative, we consider that our opinion—that Amendment XVI has never been ratified by the States—is an equally most serious matter to the prior subject and that your immediate, undivided attention ought to be given to both to the end that our Nation might be preserved in this present crisis. To this end this citizen and scores of others are willing to give our assistance and our resources.

NEW SUPPLEMENTARY EXTRADITION TREATY CRITICIZED BY FORMER NOBEL PEACE PRIZE WINNER SEAN MACBRIDE, S.C.

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. BIAGGI. Mr. Speaker, this past Saturday, the distinguished founder of Amnesty International and former Nobel Peace Prize winner Sean MacBride was in Washington to address the third annual convention of the Irish American Unity Conference. Sean MacBride used the occasion to present his criticisms of the proposed Supplementary Extradition Treaty between the United States and the United Kingdom of Great Britain and Northern Ireland.

As chairman of the Ad Hoc Congressional Committee for Irish Affairs, I share the same concerns that Sean MacBride raised in his speech. Perhaps the most accurate statement he made charged that the proposed supplementary treaty "will be discriminatory against Irish people."

I also had the pleasure of addressing the board of directors of the Irish American Unity Conference while they were in Washington. I commended them and especially their president, James Delaney, for their hard work against this treaty which has helped delay it in the Senate Foreign Relations Committee. I continue to oppose the treaty in its present form and have authored House Resolution 271 which calls upon the Senate Foreign Relations Committee to end their consideration of the proposal. Earlier today, the Senate Judiciary Subcommittee on the Constitution held a hearing on the treaty and additional concerns were raised.

I urge my colleagues to carefully review Sean MacBride's speech and then join as a cosponsor of House Resolution 271. This Supplementary Extradition Treaty is legally, morally, and politically flawed. It is nothing more than a blatant attempt by the British Government to overturn several recent U.S. court decisions which recognize a political offense exemption to extradite in the current United States-United Kingdom Extradition Treaty. This supplementary treaty seeks to virtually eliminate the political offense exception and furthermore would be retroactive upon ratification.

Mr. Speaker, the address by Sean MacBride follows:

ADDRESS BY MR. SEAN MACBRIDE, S.C., TO THE NATIONAL PRESS CLUB LUNCH AND DINNER, NOVEMBER 2, 1985

It is a great privilege for me to have been invited as your guest to this Annual Convention by your President James A. Delaney. It enables me to keep in touch with the work you are doing and also to convey to you the gratitude of the people in Ireland for the initiative you have taken on their behalf. Freed of the slave mentality which was caused in Ireland by centuries of oppression and by subservience to the conquerors of our island, the Irish-Americans have a much clearer perspective on Anglo-Irish relations.

For these reasons, I welcome the directness and constructive nature of the advice which you can give to us.

The advisers of the British Government, both in London and in Washington, are themselves fully conscious that Irish-American influence could be a decisive factor in the re-unification and independence of Ireland. Their diplomats, their foreign service agents, their secret service and their press services have a long and wide ranging experience of how best to exert influence through the American establishment and press. It has become an occupational tradition, and it would be quite a mistake to underestimate either their skill or their vigilance. While the 42 million Americans of Irish origin do represent potentially a powerful force in American life, so far, they have lacked the organization, resources and experience of the British services in the United States. It is in this field that the Irish American Unity Conference, and the other Irish American organizations represented here, have a most important role to play.

Availing of the natural public indignation arising from the hijacking of planes and ships, the taking of hostages, and the murder of American citizens in the present wave of international terrorism, the British Government very adroitly, urged the U.S. Administration to amend its existing Extradition Treaty with Great Britain, in such a way as to involve the United States on the side of Great Britain in the Anglo-Irish conflict. A conflict which has been raging since Ireland was partitioned by Great Britain in the year 1920. Under the cloak of wishing to stamp out international terrorism, the British administration in fact, is seeking to secure the support of the United States in Britain's claim to exercise sovereignty over the North-East corner of Ireland, known as "Northern Ireland".

For centuries, Britain has sought to claim sovereignty over, and to rule Ireland, a claim which has been steadfastly rejected by the Irish people. In the course of the nineteenth century, as a result of British rule, oppression and famine, the population of Ireland was halved. It was only in the course of this century, following upon the Rising of Easter 1916, that in 1921, Britain had to relinquish her military and political occupation of the greater part of Ireland. However, in 1920, before relinquishing her occupation of Ireland, Britain partitioned Ireland into two states; one consisting of six counties, now known as "Northern Ireland", and the other consisting of twenty-six counties, which form the "Republic of Ireland" today.

The partitioning of Ireland was never sanctioned or accepted by the people of Ireland. The imposition of Partition and of the Anglo-Irish Treaty of 1922, led to a bitter Civil War in Ireland. The imposition of Partition created an on-going insurrectionary situation which has disrupted the whole political and economic life of the country and has caused a great many casualties. According to official statistics for the 1969-1983 period, there have been over 43,000 separate bombings and shooting incidents, causing over 2,500 deaths. Casualties from 1983 to date have been on the same scale. While no official statistics of casualties are available for the period 1920-1969, some statistics are available for the years 1920-1921. In those two years it has been clearly established that 428 Catholics were murdered, and 1,766 were wounded. During the same period of two years, 9,000 Catholics were driven out of

their work places and 23,000 were driven from their homes. During the years 1921-1923 at least 4,000 Catholics had to leave the six county area and seek shelter as refugees in the Republic. Regular refugee camps had to be provided for them until they could be resettled.

From these somewhat disjointed statistics one impression can be gathered as to the extent of the persecution of Catholics, and of the insurrectionary situation which has developed as a result in the area known as Northern Ireland. In addition to these particular statistics, it will be appreciated that at least 30,000 people have been imprisoned, as a result of partition on one side of the border or the other. Having regard to the fact that the population of Northern Ireland comprises not more than one and a half million people, it will be appreciated that the insurrectionary situation in Northern Ireland has caused proportionately more destruction and more casualties than most of the local wars that have been taking place since World War II.

In Northern Ireland, unarmed Civil Rights demonstrators have been killed by British Military forces, in the course of peaceful demonstration. Unarmed republican suspects have been shot at sight by British Forces; many sectarian and political assassinations have been carried out either directly by the British Forces, or have been instigated by British secret service agents. British appointed judges have justified the operation of police and military assassination squads in Northern Ireland. As a result of this situation, some Irish republicans have sought shelter from harassment or from an unjust judicial system in the United States.

None of these events were in any way connected with the international conflicts which have given rise to a number of proposals to combat international terrorism.

It is to the credit of the United States and of its judicial system that ever since the Eighteenth century, the United States Courts have steadfastly refused to extradite Irishmen by reason of their political activities in Ireland. The United States have always boasted, with justice, that it was the land of freedom in which those who were politically oppressed elsewhere would receive asylum and shelter. For close on 200 years at least, Irishmen charged with offences arising from the insurrectionary situation in Ireland have never been extradited. This has also been the universal rule in every civilised country ever since the middle of the last century. Many famous Irish leaders such as Wolfe Tone, James Stephens, John O'Mahoney, John Mitchell, John Boyle O'Reilly, Thomas Francis Meagher, Liam Mellows, and President Eamon de Valera benefited from the protection of the American legal system both in regard to extradition and asylum. Had the proposed Amending Treaty been in existence, they would all have been handed over to the British for imprisonment or execution.

The decisions of the Courts of the United States have been based strictly on the concepts of international law in regard to the non-extradition of persons for political offences or for politically related activities. The law in this matter is fully reviewed in two recent cases of the U.S. District Courts, namely, the Desmond Mackin case judgment by Naomi Reice Buchwald (80CR MISC. 1, p 54 U.S. Magistrates) and the judgment of John E. Sprizzo, in the Doherty case (83 Cr. MISC 1, p 26 (Jes) United States District Court, Southern District of New York).

Anyone with even a superficial knowledge of Anglo-Irish-American relations is fully aware that the struggle for the independence, Sovereignty and Unity of Ireland is a very old standing dispute between Great Britain and Ireland, and is in no way related to present day international terrorism.

It is self evident that the present insurrectionary situation in Ireland is completely unrelated to the international terrorism which has become prevalent in recent years. It is part of the struggle of the Irish people to assert and make effective the sovereignty of the Irish people over the whole of the island of Ireland. The Irish people have overwhelmingly decided, both in 1918 and again in 1937, that they claim jurisdiction over Ireland and reject any claim by Britain to interfere in Irish affairs. This was reaffirmed by the Declaration unanimously adopted by Dail Eireann (The Irish Parliament) on 10 May 1949.

Under Irish Constitutional and Nationality Law, every person born in Ireland, North or South, is regarded as an Irish citizen. If, as appears pretty certain, the intention of the proposed Amending Extradition Treaty is to secure the extradition of Irish persons from the United States to Great Britain or to Northern Ireland, it is a law which will be dealing nearly exclusively with Irish citizens and therefore is of direct concern to the Republic of Ireland. * * * It would not seem unreasonable to ascertain whether the United States Government has consulted the Government of the Republic of Ireland before entering into this proposed Amending Treaty, and if so, what views have been conveyed by the Irish Government to the Government of the United States.

For some considerable time past, the normally recognised standards concerning the application of the Rule of Law for criminal trials, and to the criminal process have ceased to apply in Northern Ireland. Jury trials have ceased to exist in political cases. Instead, single-judge Courts known as "Diplock" courts have replaced Jury trials. The ordinary rules of evidence have been altered and corroboration of the evidence of accomplices in what are known as supergrass trials has ceased to be required. Persons suspected of political offences are often detained for two and even three years before being brought to trial. The interrogation methods adopted by police authorities in Northern Ireland have been criticised and condemned by the European Commission on Human Rights, and described as degrading and inhuman. Some members of the judiciary have even sought publicly to justify the killing of unarmed suspects by the security forces. It is submitted that in such circumstances it would be highly improper for the United States to extradite to Northern Ireland any Irish person who might then be submitted to inhuman or degrading treatment, and who might also be deprived of the full protection of the due process of law and the rule of law applicable to criminal trials. The United States might thus be placed in a position of condoning violation of human rights.

Traditionally, at least for a century, the policy of the United States State Department has been systematically pro-British. This has been particularly evident in the course of the Anglo-Irish struggle ever since the beginning of the century. The Pro-British and anti-Irish stance of the U.S. State Department even up to the present day is made very evident in an article published recently by Mr. Sean Cronin, in the *Journal of Irish Studies* published by the Irish

American Cultural Institute "Eire-Ireland" (Vol 20, 2 Summer 1985), which establishes the extent to which even in the most minute detail of the State Department acted in complete subservience to the requirements of the British Foreign Office, when dealing with any Anglo-Irish issue. Indeed, the London Government establishment regard it as one of the greatest achievements of British diplomacy, that the British Foreign Office should, always, have been in a position to impose its policies in regard to Ireland without question through the State Department.

Quite apart from the Irish aspect of the proposed Amending Treaty between Britain and the United States, it is submitted that the Treaty may form a dangerous precedent that will facilitate the extradition of persons involved in political offenses in other Countries, be it Salvador, Guatemala, China or Poland. The Amending Treaty will certainly facilitate the extradition of persons in regard to politically related offenses and may thus well deprive them of their most elementary and fundamental human rights. Certainly the extradition of any Irish Republicans to Britain or to Northern Ireland would have that effect. One of the reasons for including the "Political Exception" provisions in all Extradition Treaties hitherto has been to ensure that persons would not be deprived of the right to a fair trial, or would not be extradited to a country where they might be tortured or summarily executed.

A case in point was the case of Lieutenant Colonel Amekrane, of the Air Force of Morocco. In his case, after an abortive attempt to overthrow the Government of Morocco, Colonel Amekrane arrived in Gibraltar in search of political asylum; he was refused asylum by the British Government and was extradited to Morocco on 17 August 1972. He was subsequently tried by Court Martial and executed on 13 April 1973. His widow and two children brought proceedings against Great Britain by way of application to the Commission of Human Rights of the Council of Europe, claiming damages against the British Government for having refused him asylum and for having him extradited, then to be tried by his enemies. While the case never came to a full hearing, after preliminary hearings the Government of the United Kingdom agreed to make a payment of £37,500 to his widow and children.

I would like to avail of this opportunity to congratulate the Irish American Unity Conference, the Ancient Order of Hibernians, the Irish American Caucus, the Brehon Law Society, the Irish American Labor Coalition and all the other organisations which have collaborated together in opposing the transmission of this Amending Treaty to the floor of the Senate. This has been a good example of how Irish-American organisations can collaborate together and can collaborate with American Civil Rights organisations to counteract the English-American influence in the American establishment. If this Amending Treaty ever reaches the floor of the Senate, I hope that all the Irish American Organisations which are here, will work together to ensure that it does not receive the two-thirds majority of the Senate which would enable it to require the force of law in the United States.

By working together to defeat the British attempts to distort the laws of extradition in order to involve the United States in the Anglo Irish struggle, the Irish American organisations have rendered a signal service to

the cause of Irish nationalism. In Addition, they have helped to strengthen the consciousness of civil rights organisations in the United States against the tendency to minimise the effective protection of those who seek refuge from tyranny and oppression in this great Republic.

PANAMA VERSUS PRENSA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. SOLARZ. Mr. Speaker, the death knell of Panamanian democracy is sounding. The military has removed from office President Nicholas Ardito Barletta only after a year in office. President Barletta began his Presidency under a cloud because of serious allegations that he had been the beneficiary of electoral fraud. But he was an intelligent and dedicated public servant, and there were many who hoped that he could create legitimacy by a vigorous attack on Panama's economic crisis. By engineering a quiet coup against President Barletta, the Panamanian Defense Force has confirmed once again that its central objective is to retain power in its own hands rather than transfer it to the hands of the people, where it belongs.

The generals' intent is clearly obvious in its treatment of *La Prensa*. This independent opposition newspaper was a beacon of accountability in Panama. It should be no surprise that the military has sought to extinguish that light of truth.

Mr. Speaker, there is no question that the United States has significant interests with respect to Panama, particularly with respect to the Panama Canal. Yet those interests are best fulfilled in the context of a vibrant and institutionalized democracy in Panama. We can only hope that extraordinary steps will be taken to repair the damage that has occurred in recent weeks. Freeing *La Prensa* to renew its service to democracy is one of those steps.

Recent editorials in the *Miami Herald* and the *Boston Globe* have addressed the current situation in Panama. I included them for the benefit of my colleagues.

[From the *Miami (FL) Herald*, Oct. 3, 1985]
PANAMA VS. 'PRENSA'

Prescription for a Latin military government: First you oust the civilian president. Then you intimidate the press. If that doesn't work, then you permit street thugs to attack any newspaper that dares to be independent.

Gen. Manuel Antonio Noriega, head of Panama's National Defense Forces (NDF), knows the formula well. He and his henchmen have imposed or deposed five Panamanian presidents in the last three years. The last coup came on Friday, when General Noriega demanded the resignation of President Nicolas Ardito-Barletta and appointed former Vice President Eric Arturo del Valle to replace him.

That done, General Noriega turned to *La Prensa*, Panama's fiercely independent opposition newspaper. (*La Prensa*, coincidentally, prints part of the *The Miami Herald's* international edition in Panama.) *La Prensa*

EXTENSIONS OF REMARKS

knows what happens when the NDF objects to its independence. The NDF has closed the five-year-old newspaper twice.

The American ambassador is reported to have warned *La Prensa's* editors that the NDF wants it closed. And columnist Guillermo Sanchez Borbon, Panama's most respected political commentator, bade farewell to his readers the other day. His photograph has been distributed among NDF members, he explained. Fearing for his life, he said that he is going into hiding.

Mr. Sanchez Borbon merely was being prudent. The last time *La Prensa* was closed, thugs broke in and poured acid on its presses and in the computers.

This time, matters could be worse. For *La Prensa*, and particularly Mr. Sanchez Borbon, have insisted adamantly on an independent investigation into the murder and decapitation of Dr. Hugo Spadafora, one of General Noriega's enemies. Dr. Spadafora's mutilated body—his head is still missing—was found two weeks ago in Costa Rica, near the border with Panama. Witnesses say that cars similar to NDF vehicles, and men dressed in military uniforms, were seen in the vicinity shortly before.

General Noriega should consider carefully the consequences of muzzling *La Prensa* or harming columnist Sanchez Borbon. That would bring upon him the condemnation of democratic governments and human-rights advocates throughout the hemisphere. Moreover, it would elongate the shadow already cast upon the NDF by the death of Dr. Spadafora. If General Noriega and the NDF have nothing to hide, they have nothing to fear from a free press demanding an independent investigation.

[From the *Boston (MA) Globe*, Oct. 4, 1985]

DEMOCRACY IN PANAMA

The dictatorship in Panama, which has been camouflaged by a veneer of democracy, is in trouble. Turmoil has erupted over a murder believed to have been commissioned by Gen. Manuel Antonio Noriega, head of the 15,000-man national guard.

Last week Noriega forced President Nicolas Ardito Barletta to resign. The opposition paper *La Prensa* is threatened with closure. Panamanian professionals have called a strike.

In this state of peril mixed with promise, Americans must back the forces of democracy symbolized by *La Prensa*, and bring maximum pressure on Noriega to end his sordid rule.

This responsibility falls most heavily on the U.S. government, which has supported the military regime. The administration should suspend military aid and publicly criticize Noriega. In the long run, that is the clearest way to assure Panamanian stability.

The United States' main concern has always been the security of the Panama Canal. Traditionally, whichever leader offered "la paz social"—another way of saying "law and order"—has been the U.S. favorite.

The administration now is cooling toward Noriega, after a split in the officer corps provoked by the decapitation of a critic who had accused Noriega of being the drug kingpin of Central America. The brutal killing would have been unremarkable in El Salvador or Guatemala, but has shocked Panamanians.

The 700 small shareholders who formed *La Prensa* gave Panama the gift of a free press. They are true democrats battling an undemocratic system. People like them are the key to saving countries like Panama,

November 5, 1985

Chile, South Korea and the Philippines. Faced with guns, they cannot do it alone.

Panamanian democrats need to know Americans are behind them. Noriega needs to know that Americans who value democracy want him out. Democracy hangs in the balance, and where the U.S. weighs in can tip the scale.

STOP THE LEAKERS!

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. BROOMFIELD. Mr. Speaker, the weekend papers again regaled the American public with classified details about an alleged intelligence operation directed against Colonel Qadhafi in Libya. I commend the President for immediately ordering a full investigation into this illegal release of classified information. For the sake of the Nation, the time to stop the leakers is now.

According to a Sunday Washington Post article, the administration has reportedly authorized a covert plan designed to thwart Libyan support for terrorism. The alleged plan would also lure Colonel Qadhafi into a situation that would give his numerous opponents in the Libyan military a chance to seize power, or provide one of his United States-backed neighbors with justification for a military response.

When the administration's reported plan was discussed with the Senate and House Select Intelligence Committees, there was reportedly initial resistance concerning the plan.

We all know that leaking classified information and details of intelligence operations has unfortunately become a real art form here in the Congress. When many in the Congress disagree with an opponent's stand on an issue or when many fail to see eye-to-eye with an administration plan, they get even by leaking sensitive information.

All too often, our morning newspapers contain most of the information which the President receives in his daily intelligence briefing. Unlike foreign newspapers, American papers routinely carry sensitive information which has been intentionally leaked to journalists in order to prove a point or win an argument. The KGB and its sister intelligence services from the East bloc must have a field day here in America. Their collecting efforts are simplified thanks to the professional leakers and the cooperative attitude of many American journalists.

If a Member of Congress owes anything to the American public, it is responsibility. It is extremely irresponsible to release sensitive information to the public for political or personal gain. This obligation of responsibility also pertains to congressional staff. Our Government spends billions of dollars annually in our national intelligence collection effort. Leaked information can jeopardize sensitive and important oper-

ations which are designed to serve the Nation's interest. Intentionally released intelligence data can also jeopardize the lives of many who are serving our Government overseas. Our allies can be embarrassed and their intelligence services may decide not to share data with our Government because of our inability to keep a secret a secret.

This year, I cosponsored House Joint Resolution 7, which proposes that a Joint Committee on Intelligence be created. This joint committee would significantly reduce the number of staff and Members with routine access to sensitive information. Should the proposed bill become law, an investigation into a leak of this nature would be more easily conducted.

I encourage the President to pursue the investigation of this recent disclosure of U.S. intelligence documents. The individual responsible for the disclosure should be identified and punished for his irresponsibility.

This is the only sane way to stop this damaging outflow of sensitive intelligence information. Tough action is needed now before some shortsighted Americans give away all of our secrets.

A TRIBUTE TO THE NEWS WOMEN OF WASHINGTON

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. WRIGHT. Mr. Speaker, the National Press Club recently honored the newswomen of Washington. The event paid tribute to the accomplishments of newswomen who have been reporting from the Nation's Capital for the past 153 years. That program was chaired by the famous reporter from my home State, Sarah McClendon. The keynote speech of the evening was delivered by Mrs. Katherine Graham, chairman of the board of the Washington Post Co.

Mrs. Graham, in her address, focused on the progress women have made in the news profession and she singled out Sarah McClendon for her "grit" and determination to become a success in a male-dominated profession long before the barriers came down. As Mrs. Graham said, "Sarah may be a thorn in the side of the Presidents, but she is an American beauty rose to all of us." I ask that Mrs. Graham's full text be included in the RECORD.

The speech follows:

ALL'S WELL THAT ENDS WELL

(Remarks by Katherine Graham, Chairman of the Board, the Washington Post Co., in a tribute to the Newswomen of Washington—The National Press Club, Washington, October 22, 1985)

Good evening. It's a great honor to speak at this long-overdue tribute to all newswomen of Washington.

At first I thought you asked me because of my job. Now I realize you were looking for someone old enough to remember what it was like in the Dark Ages, but young enough to have eluded senility. Given the

possible length of tonight's program, I hope I make it.

Any talk about the emergence of women journalists could rightly be called: "A History of the Oppressed." But I think a more appropriate choice would be: "All's Well that Ends Well."

Women journalists have come a long way—from the days when we had to shout questions at visiting dignitaries from the balcony of the National Press Club, or send in male emissaries to read the wires because we weren't allowed in the wire room. Now some of you are media stars. But we still have some distance to travel.

Shakespeare said there are seven ages in the life of man. But I believe there are five ages in the life of women journalists. That's because women have always been more efficient. Unfortunately, we're stalled at number four.

The first was in full swing when I donned hat and gloves and went to work at The Post as an editorial writer in 1939. That was the era when men thought they were better than women. And the sad part is, a lot of women thought so, too.

I know I did. I grew up with the subliminal idea that men were naturally smarter and more capable than women.

As a result, some things that would be offensive and impossible today seemed less so then. For example, when the men went off to fight World War II, women were hired in the newsroom with the understanding that they would give up their jobs when the men returned.

Most women who were regulars on the paper were assigned to cover only parties, clubs and social welfare issues—presumably because we liked children!

Such prejudice lasted a long time, inside journalism and out.

In the 1970s, I remember attending a board meeting of a big company, of which I was then a director. A man was giving a little talk, complete with slides, describing the activities of a roomful of workers. Most of them were older women, many gray-haired.

He would take his pointer and say, "These girls are doing such and such. And these girls are doing something else."

Suddenly I hear a voice say, "Women." He went on and said "and these girls" again. And again the voice said "Women." I then realized it was my voice! My sensitivity had been raised a long way.

Liberation certainly hadn't yet arrived when I returned to The Post as president in 1963. In fact, I gave an interview in which I said I thought perhaps men were better equipped to do my job than a woman was. I was brought up sharp by Elsie Carper, then editor of the Style section of The Post. She sailed into my office the next day and said: "If you really believe that, then I quit."

Fortunately, Elsie is still at The Post, so my beliefs obviously changed. And that brings me to the second age in the life of women journalists, an age when we became fully aware that we could indeed perform as well as men. But the barriers were still up.

I think of May Craig as perhaps the epitome of the pre-liberation era, which combined a traditional, flowery-hat femininity with important accomplishments in a tough environment.

For those of you too young to remember, May was for 30 years the Washington correspondent for a chain of newspapers in Maine.

She was called "dynamite in a blue dress" because she didn't mince words and because

she asked peppery questions at presidential news conferences. Today, of course, she'd be dynamite in a red dress.

The Sam Donaldson of her day, May always tried to ask "dodge-proof" questions because the presidents had, she said, such a "lovely long list of evasions." Some things never change! FDR once asked her if she had stayed up all night thinking of an especially provocative question. She immediately responded, "I did."

May was on the front lines in the battle for the advancement of women. It was she who "won the washrooms" in the Congressional Press Gallery, loudly complained about being excluded from the National Press Club and rallied against stag gatherings of the White House Correspondents Association. "I'm a bona fide member and I pay my dues," she proclaimed.

May also fought to have the word "sex" added to the list of discriminations banned by the Civil Rights Act of 1964. Although it wasn't taken seriously at first, the "May Craig Amendment," as it soon became known, was one of the most important advances for women in the past 25 years.

In short, May led the advance guard of women journalists who believed in themselves and what they could accomplish, and who were willing to fight for their rights.

This new breed of woman came into its own in the next age, the era of more militant pressure for equal rights.

I was a participant in this process in more ways than one. I was in the curious position of heading a company being pressured, yet understanding where women were coming from as issues developed, and trying to do something about it in our company and in the industry.

The women journalists at Newsweek sued us for discrimination. When I heard of this action, I said to myself and others: "Whose side should I be on?"

The newswomen were founded on the theory that God had ordained women to be researchers, and men to be writers and editors. It was believed that women couldn't handle the Thursday and Friday late-night deadlines, which were thought to be very difficult. Early on, I proposed a woman for an editor's job at the magazine and was told by the men it was "unthinkable."

It was hardly unthinkable. It could be done and it was. But successful women discovered the price they had to pay at first often was a high one.

For one thing, there were so few women around that when another appeared on the scene, the incumbent thought: "It's her or me." And hard feelings sometimes arose.

More important, the psychological pressure of being the first woman, or among the first, was enormous—and still is. One woman told me: "I always get the feeling that men are still waiting for you to make a mistake. If a man doesn't succeed, people say: 'He just didn't work out.' But if a woman fails, the generalization is always made that a woman just couldn't do the job."

In fact, women felt they had to be much better than men merely to be considered their equals. They put enormous pressure on themselves to succeed.

Fortunately, success did come. And that brings me to the fourth age, the age in which we now live: the age of general acceptance.

I remember two harbingers of this era.

The first was when Meg Greenfield came to The Post as an editorial writer 15 years ago, when Phil Geyelin was editor. People

said: "Geyelin's hired a woman, but she can do it. You'd be surprised!"

The second came when, after a long and arduous campaign, I was finally invited to the Gridiron Club—as a guest! I'm afraid I didn't consider the implications. I was pleased by the invitation, after decades of hearing about the dinner, and decided to accept.

The women at The Post wrote me a letter urging that I stay away. If women couldn't be members, they said, we shouldn't go at all. Some of our reporters were planning to picket outside the dinner.

They were right. I decided not to go. I couldn't bring myself to picket, however. The most I could do—and I've never said this in public before—was get in the car and drive by.

Today, of course, women are accepted—and respected—for their brains... for their abilities... for their professionalism. They are making enormous contributions to their craft. And by doing so, they are contributing to the well-being of everyone in this country and, indeed, around the world.

But I'm looking forward to the fifth age, when women will hold real power at the top.

I'm tired of being the only woman CEO of a Fortune 500 company, by choosing the right genes—or Eugene—to begin with. I'm tired of three networks with three male anchors and, worse, male-dominated corporate structures. And I'm tired of so few women being in the top news jobs at major publications.

This is not too surprising—women have only been in the workforce in large numbers for about 15 years. We haven't had much time to work our way to the top of the large organizations. But that moment cannot be far away.

Come it will and when it does, I believe women will be more than able to fulfill the aspirations of our predecessors who fought so hard to clear the path.

In closing, I want to pay tribute to one woman who has fought for women journalists with spirit, dignity and results for almost 35 years.

I am a real admirer of the grit of Sarah McClendon. She is a woman who made it long before the barriers came down. And she made it the hard way. She wasn't handed anything, no base from which to work. Instead she created her own—a successful news service, not to mention her high-visibility at press conferences. In that unmistakable twang of hers, she kept the backs of uncounted presidents firmly against the wall.

Sarah, we give you great credit and great thanks. You may have been a thorn in the side of the presidents, but you are an American Beauty rose to all of us here tonight.

Thank you.

THE SOVIET UNION'S WAR OF IDEAS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. LAGOMARSINO. Mr. Speaker, Representative JIM COURTER, our distinguished colleague from New Jersey, recently had printed in the Jewish Institute for National Security Affairs [JINSA] newsletter, August/September 1985, the following statement on "The Soviet Union's War of

Ideas." Congressman COURTER succinctly points up the massive Soviet disinformation network and offers insightful examples of the use of such active measures tactics.

It is incumbent upon all Members of this body to face the facts which confront American foreign and national security policy today. One of these cold facts is that the Soviet Union has a massive, well-financed and high priority active measures campaign underway, designed to undermine Western efforts at self-defense and to mislead the West and its leaders about Soviet intentions and capabilities.

Congressman COURTER's piece offers much-needed insight into this facet of Soviet foreign policy, and I urge my colleagues to consider its content.

[From the Jewish Institute for National Security Affairs, August/September 1985]

THE SOVIET UNION'S WAR OF IDEAS

(By James P. Courter)

On July 30, 1984 Radio Moscow told the world that a bus carrying Olympic athletes in Los Angeles had come under gunfire. When an American news service checked this report, police said that no such incident had occurred, but that one bus may have been struck by a rock or a similar object. It is not known whether the Soviet story was a fabrication or just a gross exaggeration.

But we do know that for Radio Moscow's world audience, this "proves" correct the Soviet claim that athletes would be in danger in Los Angeles.

Before the athletes arrived in Los Angeles, some had received threatening letters mailed to their Third World countries from the Ku Klux Klan in Maryland and Virginia. After a linguistic and forensic analysis by the FBI, the letters were found to be KGB forgeries, and this was announced by Attorney General Smith on August 7. The crude, racist threats were obviously intended to intimidate athletes and keep them away from the games.

These are examples of "disinformation", the spreading of falsehoods or half-truths to support Soviet foreign policy goals. This is one of several means used by the Soviets to influence world opinion: other "active measures" include use of front groups, agents of influence in Western news media, forgeries, clandestine radio broadcasts and the like.

The international flow of ideas and information has an indisputable impact on foreign policy and national security, because it affects world understanding of our nation's—and the Soviet Union's—goals and actions. It's unfortunate that this important subject has received so little attention in the American press.

Nonetheless, much can be learned from former Soviet intelligence officers who have fled to freedom, and from government and other sources.

Stanislav Levchenko, who defected from the KGB in 1979, worked in Tokyo, ostensibly as a correspondent for the Soviet Journal New Times. He was one of five KGB personnel in Tokyo who handled a total of 25 Japanese "agents of influence"—journalists, government officials or other elites who were compromised and were willing to provide Japanese secrets to the Soviets, spread Soviet disinformation in the Japanese government, or print information, themes, or entire articles to promote Soviet goals in the Japanese press.

The highest Soviet objective was to harm Japan's relations with China and the United States, both of which were seen as a potential threat to the Soviet Union. Using agents in both the press and the Japanese Socialist Party, Levchenko made extensive use of disinformation. One rumor was circulated to top Japanese officials describing serious policy rifts in the Chinese government over the 1979 invasion of Vietnam; this implied that Deng Xiaoping's tenure was uncertain and that close Sino-Japanese ties could be risky.

Levchenko also used an agent who was a confidant of the owner of a large Japanese newspaper to place "one of the most successful Soviet forgeries of the 1970's" in the newspaper, *Sunkai Shimbun*, in January 1976. The forgery, written "line by line, word by word" in Moscow, was the "political will" of former Chinese premier Chou En-Lai, giving the late Chou's views on all areas of Chinese policy. It was supposedly circulated to the Chinese Central Committee by his widow. Chou's "testament" was designed to encourage political rivalries in China, by its criticism of the Cultural Revolution and its support of better relations with the Soviet Union. Its release in Japan was intended to give the Japanese a picture of a divided, volatile Chinese leadership. As soon as the document was printed, the Soviet "news" service TASS carried word of the Japanese "scoop" around the world. Only after an interval of several days did the Chinese declare the document a fake.

The use of forgery is common. In 1981, a State Department document dissenting from U.S. policy on Central America was given to a New York Times foreign affairs columnist and was described in her column. The document, of dubious origin, was a forgery, and this was admitted by the columnist three weeks later.

During the Falklands war, a fake Pentagon press release circulated among Latin American diplomats in Washington, carrying the text of a statement by Secretary Weinberger. The statement, containing English grammatical errors characteristic of Slavic language speakers, delivers a series of blunt, undiplomatic comments which support Britain in the war but manage to insult both Latin America and Britain at the same time.

Clandestine radio stations are another means used by the Soviets to influence foreign opinion. Without claiming Soviet sponsorship, these radio stations support Soviet views while pretending to represent local opinion of people in Turkey, China or Iran.

For example, the National Voice of Iran has broadcast to Iran since 1959 from a transmitter in the USSR. Speaking in the persona of the Iranian people, it refers to the Soviet Union as "our friendly northern neighbor". This station consistently attacked the Shah and his policies, and began calling for his overthrow in the fall of 1978. When American diplomats were taken hostage, the National Voice of Iran departed from Moscow's official policy of silence, and supported the taking of the hostages by Iran's "struggling and enthusiastic young people". This line was reversed after the United States lodged a diplomatic protest in Moscow. Today, the National Voice of Iran regularly rebukes Khomeini and Iranian media for anti-Soviet statements, and consistently criticizes Iran's "unrealistic" opposition to the Soviet war against Afghanistan.

These are but a few examples of the many techniques the Soviets use to sway public

opinion. While most Americans are aware of ideological competition, few are aware of this type of Soviet manipulation of Western media. The result is often that people read Soviet opinions and disinformation while believing that they are reading facts and analysis by their own domestic press.

CITIZENS FOR CITIZENS, FALL RIVER, MA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. FRANK. Mr. Speaker, unfortunately, issues sometimes become unfashionable before we have resolved them. An example of this is the question of poverty. Sadly, in recent years, the level of poverty in our society has begun to increase, and the agencies dedicated to combating poverty and providing economic opportunity to all Americans have suffered from a loss of attention and support. It is important to remind ourselves that poverty remains a problem, and that there also remain in being organizations dedicated to providing better economic lives for those who haven't been able to share in the prosperity that has been available for most Americans.

One of the most vibrant and effective of the antipoverty organizations with which I am familiar is the Community Action Agency in the Greater Fall River Area, Citizens for Citizens. Under the creative leadership of its executive director, Mark Sullivan, Citizens for Citizens makes a very important contribution to the Greater Fall River community. CFC effectively administers Federal programs, and performs the advocacy role that community action agencies are supposed to perform on behalf of those in need. Recently, in a very innovative program, Mr. Sullivan and CFC have received an urban development action grant from the Department of Housing and Urban Development to provide low income people with a chance at home ownership. Working with Mr. Robert Valton, a leading contractor in the Greater Fall River Area, Mr. Sullivan and CFC have drawn on several Federal programs to meet one of the most pressing social needs of our time: decent housing for lower income people, with a chance for them to become home owners.

Recently, the Fall River Herald News published two excellent articles outlining the work that Citizens for Citizens does. These articles are typical of the excellent coverage which the Fall River Herald News gives to the activities in Greater Fall River, and I ask that these articles be reprinted here.

CITIZENS FOR CITIZENS GOING STRONG AFTER 20 YEARS

(By Sean Flynn)

Citizens for Citizens Inc., a remnant of the 60s "War on Poverty," is still alive and well, and celebrating its 20th anniversary this year.

"We have a combined budget of \$11 million dollars, and 500 employees," said Mark A. Sullivan, CFC executive director, and this

he added, despite repeated efforts by Lyndon Johnson's presidential successors to drastically reduce the means for the "war," and give up the ambitious goal of eliminating poverty.

"Nixon, Ford, Carter and Reagan have been trying to put us out of business," said Sullivan, "but we are still here. Nixon's glad he got his amnesty, Ford is golfing, Carter is a carpenter, and Reagan will be remembered as an amiable incompetent."

In the fall of 1965, the Fall River Community Action Program Committee approved the establishment of a regional community action agency to serve this city, Freetown, Somerset, Swansea and Westport. The new private non-profit corporation was named Citizens for Citizens. Soon after, the Fall River City Council endorsed CFC as its community action agency.

"That designation qualifies us for a grant of \$256,000 to eliminate poverty in Southeastern Massachusetts," said Sullivan. "And that's enough to buy everybody a hamburger and send them home." The rest of CFC's budget, for the funding of its many programs (see related story), comes from 189 federal agencies, 10 state agencies, various foundations, and private contributions. "We are very good at getting grants," said Sullivan. Over 80,000 people in Southeastern Massachusetts are affected by CFC programs.

During his 15 years as executive director of CFC, Sullivan has brought in over \$157 million in government grants for administration by the agency. "We run quality programs with as little money as possible," said Sullivan. And, for all the programs CFC is involved in, administrative costs make up less than four percent of CFC's budget.

CFC, its main offices located in the former Brightman Methodist Church on Griffin Street, was founded as a result of the Economic Opportunity Act of 1964, which led to the creation of over 2,000 Community Action Agencies nationally, explained Sullivan. "Now there are about 700 left," he said. And the federal Office of Economic Opportunity no longer exists, a victim of the Nixon cutbacks.

Up until four years ago before the Reagan administration began cutting programs which service people, while massively increasing the military budget, noted Sullivan, CFC was the second largest community action agency in the U.S., with a budget of \$22 million and over 800 employees.

"Now, all the community action agencies in the country receive \$300 million," said Sullivan, "which would pay for one-quarter of a B1 bomber." He added, "And these are the official agencies to fight the poverty of 40 million Americans."

When asked to define CFC's different projects, plans, and future goals, Sullivan laughed and said, "CFC is anything you want to be." In his commitment to programs and plans to alleviate the misery of poverty, Sullivan is constantly probing various possibilities of government assistance.

Various CFC programs are continually in the news, and people often don't realize they are all under the CFC umbrella. The CFC fuel assistance program, which last year allowed \$5,358 million in reduced fuel costs for 11,000 households, started last week. CFC's \$2.5 million housing project was also in the news last week, as the first 12, of 39, townhouses were made available for purchase last week to the winners of the Corky Row lottery.

Sullivan, who has a degree in economics, and master's degrees in labor studies and

urban affairs, said the tough part of the job is deciding who won't be helped. "There is never enough to go around. To see 11,000 people come in year in, year out, for fuel assistance is disheartening."

This year is the last year of authorization for the fuel assistance program. The program exists "so that people don't face the choice of eating or heating," said Sullivan. He said any new legislation that does not either eliminate the program, or substantially cut funding, will most likely be vetoed by Reagan.

Sullivan stressed the difficulty of working in social services, and against the antipathy of the current administration to the needs of the 40 million Americans who live below the poverty level, according to government statistics. He noted that individuals in this economic grouping are now paying \$300 more annually in federal taxes than prior to Reagan's tax reform.

Committed to alleviating needs of the poor, Sullivan, looking back, concludes, "This country really never intended to win the War of Poverty."

THERE'S ALMOST NO END TO THE RANGE OF CFC PROGRAMS AND ACTIVITIES

The range of activities and programs of Citizens for Citizens is incredible, and often confusing to the outsider.

When asked about elements of CFC's success, and how he keeps it all together, Mark A. Sullivan, CFC executive director, said, "I have excellent project directors—they know their jobs. Project employees are in-house people who have been promoted through the ranks."

Programs administered by CFC for children include the Head Start program, the After School Day Care program, the Pre-School Day Care program, the Child Nutrition Feeding program, a summer recreation program, and Operation Christmas. Just for the Head Start program, CFC administers over \$1 million.

CFC also administers the fuel assistance program in two cities and nine towns, which is the biggest item in CFC's budget, at over \$5 million. These funds will help some 11,000 households with heating between now and March, 1986. Each family can receive a maximum of \$750 in aid.

Related programs are the Home Weatherization Program and the "Hot Whap" program, a boiler and burner replacement program for low-income families. These programs have been extremely effective, said Sullivan. "We have weatherized more houses than any agency in the U.S.," noted Sullivan.

CFC senior programs include the Senior Aid program, foster grandparent program, and the RSVP program. CFC also runs the Woman Infancy and Children program, and the food distribution program in Fall River and surrounding towns.

The Council on Alcoholism; the butter and cheese program, which distributes annually \$1 million worth of food; and the community gardens program, which plows 200 gardens for families, are also administered by CFC. The CFC advocacy program helps low-income people with legal problems and bureaucratic regulations.

CFC recently entered the housing business, with a \$2.5-million project. By constructing 39 condominium townhouses in the Corky Row neighborhood, CFC is not only providing housing for moderate-income families, but is also revitalizing a historical neighborhood. "It is the feeling of this

agency as a community action agency that the only way we can turn around the neighborhood is through home ownership," said Sullivan.

The list of CFC programs and community activities goes on.

CFC Inc. has two spin-off corporations, the Citizens for Citizens Foundation and the Alternative Housing Corp., which were set up for tax and liability reasons. The foundation owns all the property, such as the headquarters on Griffin Street, the Head Start buildings on Robeson and Quechean streets, and equipment such as vans and computers, which it then leases to CFC Inc.

The three CFC corporations have separate boards of directors. Eugene Kosinski is president of the CFC Inc. board of directors; Frank Sullivan is president of the foundation board; and Steve Lopes is president of the alternative housing board. Sullivan is executive director of CFC Inc., and chief executive officer of the other two corporations.

The 30 members of the CFC, Inc. board of directors include 10 publicly-appointed members—four from Fall River, two from Taunton, and one each from Somerset, Swansea, Westport and Freetown—10 representatives from organizations such as the Council of Churches and the NAACP, and 10 representatives elected from low-income constituency groups. The boards of directors of the other two corporations are smaller in size, but their members must be on the parent board, said Sullivan, to ensure coordinated policies.

THE SOVIETS AND SIGNED AGREEMENTS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. BROOMFIELD. Mr. Speaker, once again the Soviet Union has shown its disregard for signed international agreements. This time, the Soviets and Afghanists are playing dirty tricks on our Embassy in Kabul. While it is important to negotiate and sign accords, the ultimate goal is to have signatory nations respect those agreements. That is the bottom line.

In clear violation of international accords, the Soviets downed the Korean airliner in 1983, and took the life of Maj. Arthur Nicholson last year. The provisions of the Helsinki Final Act are routinely violated by the Soviets. There is deep concern in our Government about Soviet violations of the numerous treaties which they have with the United States. These would include violations by the Soviet Union of its legal obligations under the Biological and Toxin Weapons Convention of 1972. In clear violation of the provision of SALT II, the Soviets are encrypting telemetry from ballistic missiles. The U.S. Government is concerned that the new SS-X-25 ICBM is a prohibited second new type of ICBM and that this missile is in violation of the SALT II treaty. Equally serious is the Soviet violation of the ABM treaty with the construction of a large phased-array radar near Krasnoyarsk in central Siberia.

Just last week, a Soviet soldier sought asylum in the American Embassy in Kabul, Afghanistan. In typical Soviet fashion, the Embassy was bathed in spotlights all night long, electric power to the building was cut off, and a young Embassy officer was roughed up by one of the many Soviet and Afghani soldiers who surrounded the building there. Again, the Soviets and their Afghani friends have violated a long-standing agreement regarding the sanctity of diplomatic premises and the treatment of foreign diplomats.

While we all hope that progress can be made in the forthcoming talks in Geneva, we must keep in mind that agreement signing is not the ultimate goal of our efforts to seek better relations with the Soviets. Compliance with signed agreements is the key consideration. Only by complying with important agreements between our two nations can all of us hope to make a better and safer world for future generations. Good luck, Mr. President.

SOCIAL SECURITY NEEDS REFORM

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. HUBBARD. Mr. Speaker, as the House Committee on Ways and Means continues to deliberate on tax reform proposals, I want to share with my colleagues an excellent letter from one of my constituents, Angela Miller of Route 2, Hazel, KY.

Angela Miller is a 15-year-old sophomore at Murray High School and is concerned about the state of the Social Security system. She recognizes the problem of the growing dependence of retirement age persons upon Social Security, and she offers some thought-provoking suggestions which are worthy of consideration.

Angela Miller's remarks reflect a degree of wisdom and concern far beyond her youthful years, and I encourage you to read her letter to me that follows:

SEPTEMBER 16, 1985.

Representative CARROLL HUBBARD,
Rayburn House Office Building,
Washington, DC.

DEAR REPRESENTATIVE HUBBARD: As a young person about to enter the labor market, I am concerned about the state of Social Security.

I would like to suggest persons 30 years and above complete the Social Security program. Those under 30 years of age be required to pay into an I.R.A.

In this way the government will gradually eliminate their support of the masses in retirement.

Because of the increasing retirement age voted by Congress, I would not be able to retire until age 67. I would like to provide my own retirement thereby hoping to retire young enough to enjoy it. I feel the retirement age should be left at 62 and the Social Security funds returned to an account used for Social Security alone as it was before President John F. Kennedy's administration.

It is apparent from your recent news letter that a revamping of the income tax system so that everyone pays their fair share would solve government's financial troubles.

Sincerely yours,

ANGELA MILLER.

MAKING MEDICARE MANAGEABLE FOR SENIORS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. BIAGGI. Mr. Speaker, on November 18, I introduced legislation, H.R. 3631, to place a 1-year freeze on out-of-pocket costs for the elderly under part A of Medicare, which pays for hospitalization. The freeze would coincide with the 3.1 percent cost-of-living adjustment for Social Security payments and would prevent increased drain on out-of-pocket costs for health care.

Mr. Speaker, this legislation is needed for the very simple reason that without it—on January 1, 1986, the Medicare hospital deductible will increase 23 percent by \$92 to \$492. The 30 million Medicare beneficiaries—many of whom rely on Social Security for their primary source of income—will only have to pay an added \$13 in 1986, which will not exceed the level of their Social Security COLA increase.

In order to fund this freeze of the Medicare deductible, H.R. 3631 would add 6 cents to the current 16 cent cigarette excise tax in order to offset the \$1 billion cost of implementing this plan. I believe that this is a responsible, and relatively painless way to address the financing of this bill that does not direct dollars in the wrong direction.

I consider this bill a short-term, stopgap measure which will give seniors a break while Congress addresses the long-term financing needs of the Medicare Program that will make it more responsive to the out-of-pocket costs borne by seniors in the program. At a minimum, we should be actively working to support efforts to ensure that increases in Medicare Program costs are directed away from those on fixed incomes. This is particularly important when we consider that since the outset of the DRG system under Medicare in 1983, hospital revenues have increased from \$1.2 billion to over \$2 billion annually.

It is especially critical that we take a close look at the new DRG system which pays hospitals a set fee for specific procedures under Medicare. In my own State of New York, we will come under the DRG system beginning January 1986. Given the high per capita income of the State and the large percentage of seniors on fixed incomes, I feel that it is critical for the 1.3 million seniors in my own city of New York to be given adequate protection against the ravages of health care inflation.

The need for this legislation to assist elderly New Yorkers in particular is critical considering current and future demograph-

ic trends in our city. Not only does the DRG system discharge elderly patients into communities sooner—but it also places poor elderly New Yorkers, on fixed incomes, in the unacceptable position of having to pay increased health care costs. In the past decade, the number of "old old" elderly, age 75 to 84, rose 15 percent and the number of those over age 85 rose by 37 percent. In 1980, one out of every three seniors in New York City lived alone. Elderly women outnumber elderly men living alone by nearly 2 to 1. In sum, this population is the neediest in terms of health care and least able to afford such exorbitant increases.

Seniors continue to be caught in a catch-22 situation. On one hand, inflation has dropped so that the Social Security COLA is limited. On the other hand—health care costs continue to rise, as reflected by increased out-of-pocket costs paid by seniors. In a study conducted by the Select Committee on Aging in July, we found that seniors are now paying more in out-of-pocket costs for health care than 20 years ago when Medicare was first enacted. I consider this an intolerable situation and one that requires our immediate and direct attention.

The freeze in H.R. 3631 will not begin to address the related increases in Medigap policies that seniors will begin to receive. Even with a hospital deductible less than the projected \$492, the elderly are projected to spend an average of \$2,583 for health care in 1990—nearly 19 percent of their income. This is substantially higher than the 15 percent seniors must pay today. Passage of H.R. 3631 will soften the blow and return the Medicare Program to its original purposes—as a primary payor of health care needs—not a payor of almost last resort.

For the benefit of my colleagues, I am inserting the text of H.R. 3631 into the RECORD for their review.

H.R. 3631

A bill to amend part A of title XVIII of the Social Security Act to limit the increase in the inpatient hospital deductible and extended services coinsurance amount for 1986

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MEDICARE INPATIENT HOSPITAL DEDUCTIBLE AND EXTENDED SERVICES COINSURANCE AMOUNT.

(a) **SETTING INPATIENT HOSPITAL DEDUCTIBLE AT \$412 FOR 1986.**—Section 1813(b) of the Social Security Act (42 U.S.C. 1395e(b)(2)) is amended—

(1) in paragraph (1), by striking out "shall be \$40 in the case of any spell of illness beginning before 1969" and inserting in lieu thereof "shall be \$412 for 1986";

(2) in the first sentence of paragraph (2), by striking out "1968" and inserting in lieu thereof "1986"; and

(3) in the second sentence of paragraph (2)—

(A) by striking out "\$45" and inserting in lieu thereof "\$412", and

(B) by striking out "1966" and inserting in lieu thereof "1984".

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to—

(1) inpatient hospital services furnished during a spell of illness beginning on or after January 1, 1986,

(2) to extended care services furnished on or after January 1, 1986, and

(3) to monthly premiums under section 1818 of the Social Security Act for months beginning with January 1986.

SEC. 2. INCREASE IN FEDERAL EXCISE TAX ON CIGARETTES AND APPLICATION OF INCREASE TO FEDERAL HOSPITAL INSURANCE TRUST FUND.

(a) **INCREASE IN CIGARETTE TAXES.**—Section 5701 of the Internal Revenue Code of 1954 (relating to the imposition of tax on cigarettes) is amended—

(1) by adding at the end of subsection (b) the following new paragraph:

"(3) **ADDITIONAL TAXES.**—In addition to the rates under paragraphs (1) and (2) and subject to subsection (f)—

"(A) **SMALL CIGARETTES.**—On cigarettes, weighing not more than 3 pounds per thousand, \$4 per thousand.

"(B) **LARGE CIGARETTES.**—On cigarettes, weighing more than 3 pounds per thousand, \$8.40; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¼ inches, or fraction thereof, of the length of each as one cigarette."; and

(2) by adding at the end thereof the following new subsection:

"(f) **COST-OF-LIVING ADJUSTMENTS IN RATE OF ADDITIONAL TAX ON CIGARETTES.**—

"(1) **IN GENERAL.**—In the case of cigarettes removed during a fiscal year after fiscal year 1986, subsection (b)(3) shall be applied by increasing each dollar amount contained therein by the cost-of-living adjustment for such fiscal year.

"(2) **COST-OF-LIVING ADJUSTMENT.**—For purposes of paragraph (1), the cost-of-living adjustment for any fiscal year is the percentage (if any) by which—

"(A) the CPI for the preceding fiscal year, exceeds

"(B) the CPI for fiscal year 1985.

"(3) **CPI FOR FISCAL YEAR.**—For purposes of paragraph (2), the CPI for any fiscal year is the average of the Consumer Price Index as of the close of the 12-month period ending on July 31 of such fiscal year.

"(4) **DEFINITIONS.**—For purposes of this subsection—

"(A) **CONSUMER PRICE INDEX.**—The term 'Consumer Price Index' means the last Consumer Price Index for all urban consumers published by the Department of Labor.

"(B) **FISCAL YEAR.**—The term 'fiscal year' means the 1-year period ending on September 30 of the calendar year to which such term relates.

"(5) **ROUNDING.**—Any increase under paragraph (1) shall be rounded to the nearest cent (or if such increase is a multiple of ½ cent, such increase shall be increased to the next highest multiple of 1 cent)."

(b) **FLOOR STOCKS.**—

(1) **IMPOSITION OF TAX.**—On cigarettes manufactured in or imported into the United States which are removed before November 15, 1985, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) **SMALL CIGARETTES.**—On cigarettes, weighing not more than 3 pounds per thousand, \$6 per thousand; and

(B) **LARGE CIGARETTES.**—On cigarettes, weighing more than 3 pounds per thousand, \$12.60 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand,

sand, counting each 2¼ inches, or fraction thereof, of the length of each as one cigarette.

(2) **LIABILITY FOR TAX AND METHOD OF PAYMENT.**—

(A) **LIABILITY FOR TAX.**—A person holding cigarettes on November 15, 1985, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) **METHOD OF PAYMENT.**—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1954 and shall be due and payable on January 1, 1986, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on November 15, 1985.

(3) **CIGARETTE.**—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1954.

(4) **EXCEPTION FOR RETAILERS.**—The taxes imposed by paragraph (1) shall not apply to the cigarettes in retail stocks held on November 15, 1985, at the place where intended to be sold at retail.

(c) **APPLICATION OF ADDITIONAL TAXES TO FEDERAL HOSPITAL INSURANCE TRUST FUND.**—Section 1817(a) of the Social Security Act (42 U.S.C. 1395i(a)) is amended—

(1) by striking out "and" at the end of paragraph (1),

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) the taxes imposed by section 5701(b)(3) of the Internal Revenue Code of 1954."

(d) **EFFECTIVE DATES.**—

(1) **TAX INCREASE.**—The amendments made by subsection (a) shall apply to cigarettes removed after November 14, 1985.

(2) **DEPOSIT OF INCREASE INTO TRUST FUND.**—The amendments made by subsection (c) shall apply to taxes imposed on cigarettes removed after December 31, 1985.

CONGRESSIONAL SALUTE TO THE HONORABLE FRANK POMBO OF TOTOWA, NJ DISTINGUISHED CITIZEN, ESTEEMED RESTAURATEUR AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. ROE. Mr. Speaker, on Thursday, November 7, residents of my congressional district and the State of New Jersey will join together in testimony to an esteemed restaurateur, distinguished citizen and good friend, the Honorable Frank Pombo of Totowa, NJ, whose birthday celebration commemorating the 60th year of his birth will provide an opportunity for his relatives and many, many friends to express tribute to his lifetime of good works. On this most joyous occasion, they will also commemorate the 20th anniversary of the Bethwood, one of New Jersey's largest and finest catering facilities, which was established, owned, and operated by Frank Pombo for the past two decades. I know

that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Frank, his good wife Marilyn; daughters: Sharon and husband Philip Scavone, Cindy and husband Joseph Maracino; and stepdaughters: Debbie and husband William Calantoni; Karen and husband John Nicolono on this milestone of achievement in testimony to his standards of excellence in our American way of life.

Mr. Speaker, the pleasure of great personal dedication and always working to the peak of one's ability with sincerity of purpose and determination to fulfill a life's dream—that is the success of the opportunity of America—and the mark of distinction in our society of "the self-made man." The aspirations and success of Frank Pombo in the mainstream of America's food catering industry does, indeed, portray a great American success story.

We are proud to boast that Frank Pombo was born and raised in our great sovereign State of New Jersey. He was one of 12 children of Pasquale and Vincenza Pombo, who emigrated from La Sola Conzolino, a small town near Naples, Italy, at the turn of the century and settled in Totowa, NJ.

Frank became involved in the food service business at an early age learning the trade with his older brother, August Charles Pombo, who established his own restaurant, Casino De Charlz, succeeding to the entrepreneurship of a restaurant that occupied the first floor of the home where the Pombo family resided.

In 1965 Frank Pombo acquired a well-known area restaurant in Totowa, NJ, called "The Old Duck Farm Inn." Coining his sister's name, Elizabeth Eastwood, he selected "The Bethwood" for the name of his restaurant. Within a year he leveled the building that housed his restaurant and constructed a place of beauty and refreshment of Spanish architecture and design. The Bethwood expanded over the past 20 years under his management, flourishing through three major renovations and additions and reaching a staff force that currently totals 250 employees. Frank was in full swing as a leading entrepreneur in the restaurant industry. He describes his hard work in making The Bethwood a success, "a labor of love," as he developed an outstanding venture in food service and a splendid impresario catering to the delectable taste buds of this clientele. Frank Pombo has attained excellence and prominence in the quality of his leadership and professional expertise in his field of endeavor which has truly enriched our community, State and Nation.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of life here in America. There is much that can be said of the friendship and goodwill that Frank Pombo has so willingly and abundantly given over these many years that mean so much to the lives of many, many people. As we join together in a birthday celebration of a good friend and commemorate the establishment and founding of a magnificent restaurant, The

Bethwood, we do indeed salute a great American, the Honorable Frank Pombo of "The Bethwood of Totowa, NJ."

IMPROPER POLITICAL SOLICITATIONS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. LOTT. Mr. Speaker, on September 27, 1985, I wrote to the House Committee on Standards of Official Conduct, asking it to reconsider its recent interpretation that the Federal laws against political solicitations of Federal employees and in Federal buildings only apply to "coercive" solicitations. That finding was a part of the committee's report of September 19, 1985, entitled, "Investigation of Alleged Improper Political Solicitation," H. Rept. 99-277, in response to a complaint filed by Representative McCANDLESS and me.

Mr. Speaker, my request for a reconsideration of the coercion standard on September 27 was accompanied by a lengthy memorandum tracing the legislative history of the applicable Federal statutes, a critique of various other findings of the committee, and an argument that the plain meaning rule of statutory construction should be applied, which in this case means a flat ban on all knowing political solicitations of Federal employees. A copy of my September 27 letter to the ethics committee and arguments from my memorandum can be found in my special order of October 23, printed in the October 24 RECORD at pages H8265-8269.

On October 21, I received a response from the chairman and ranking minority member of the Ethics Committee in which they indicated that the committee was "married" to the Justice Department's interpretation that the laws only apply to coercive solicitations, despite language in last year's ethics manual which states that any solicitation by a member of an employee is illegal.

I consequently wrote to the committee on October 29, asking for an advisory opinion, specifically, whether Members may now solicit congressional employees in their offices for campaign contributions so long as the solicitation is couched in purely non-coercive, voluntary terms. If the committee now thinks such activities are permissible, does the committee think they should be permitted; and, if not, would the committee recommend a House rule change to prohibit them?

Mr. Speaker, it is my firm belief that if we open this door to political solicitations, as the committee's report implies we now may, we are taking a dangerous backward step into the past in which Federal employees were considered fair game for political shakedowns. The authors of the antisolicitation provisions in the Criminal Code realized that without an outright ban on political solicitations of this nature, it would be difficult to draw the line between what was

coercive and what was not. As one Senator put it during debate on these provisions:

The intention is by this bill to remove not only coercive influences but the semblance of them; not only to withhold legal power to exact but to withhold the use of official place which may be treated as an exaction.

Mr. Speaker, it is my fear that the Ethics Committee's recent marriage to the Justice Department's threshold for prosecution significantly lowers the standards of official conduct for Members of Congress. Members should not be permitted to knowingly solicit congressional or other Federal employees as a class, especially in their offices. The so-called "coercion" standard is difficult if not impossible to define, let alone enforce, short of a blatant threat of job loss for failure to contribute. We must and should have and enforce higher standards of conduct for our Members.

At this point in the RECORD, Mr. Speaker, I include my recent exchange of correspondence with the Ethics Committee.

The letters follow:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,

Washington, DC, October 21, 1985.

HON. TRENT LOTT,
U.S. House of Representatives, Rayburn
House Office Building, Washington, DC.

DEAR COLLEAGUE: The Committee is in receipt of your letter and memorandum of September 27, 1985. We thank you for the complimentary comments contained therein.

In regard to your "appeal" to the Committee that it reconsider its conclusion that coercion is a necessary element in the establishment of a violation of either 18 U.S.C. 602 or 18 U.S.C. 607, please be assured that the Committee shares your concern regarding solicitations which do not meet the elemental requirements in order for a prosecution to be undertaken. It is exactly because of this concern that the Committee, with what it believes to be appropriate emphasis, placed all interested persons on notice that such activities come perilously close to constituting a violation of these two provisions, and that any solicitation of Federal employees should be made only in a manner which will "avoid questions being raised with regard to the propriety of such undertakings." See, House Report 99-277, Section VII, at page 21. The Committee does not, however, feel that the complaint warranted creation and imposition of a less stringent elemental standard, vis-a-vis the alleged misconduct, which would somehow place the respondents in violation of the statutes. The Committee is "married" to the judicial and executive interpretations of the law which require coercion as an essential element of improper political solicitations. As you are aware, the complaint only alleges violations of sections 602 and 607. Therefore, the Committee believes that the issues raised therein have been properly disposed of in accordance with the recognized scope of the two statutes.

The Committee appreciates your interest in this matter.

Sincerely,

JULIAN C. DIXON,
Chairman.
FLOYD D. SPENCE,
Ranking Minority Member.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 29, 1985.
Hon. JULIAN C. DIXON,
Chairman, Committee on Standards of Official
Conduct, Capitol Building, Wash-
ington, DC.

DEAR MR. CHAIRMAN: Thank you for your response of October 21 to my letter and memorandum of September 27 regarding the Committee's report on the political solicitation of House employees (H. Rept. 99-177, Sept. 19, 1985).

I am gratified that the Committee shares my concern about solicitations which do not meet the Justice Department's "coercion" standard for the purposes of prosecution. The basic questions remain, however: How is that concern to be interpreted, and what is to be done about it?

Your letter indicates that "such activities come perilously close to constituting a violation of these two provisions" (18 U.S.C. 602 & 607), and that "any solicitation of Federal employees should be made only in a manner which will avoid questions being raised with regard to the propriety of such undertakings." But, your letter makes clear that the Committee is now "married" to the interpretation that coercion is "an essential element of improper political solicitations."

This does seem to represent a 180-degree departure from your Committee's House ethics manual in the 98th Congress in which it is unequivocally stated that—

"Members of Congress, candidates for Congress, and Federal employees are now specifically prohibited by provisions of Federal criminal law from soliciting political contributions from Federal employees, including employees of the House of Representatives." (p. 123)

While the manual does go on to indicate that these provisions were enacted to "prevent employees from being subject to any form of political assessment," and to protect employees "who by their employment and position may be subject to coercion," this is a far cry from saying that the provisions only prohibit coercive solicitations. As I point out in my memorandum on the legislative history behind these provisions, the proponents felt a flat ban on solicitations was the only way to avoid the potential for corruption and the evil of coercive shake-downs.

And yet, under the Committee's most recent interpretation, there must be the "intent or perception to coerce Federal employees," for without such "evidence of 'victimization,'" the mere fact of solicitations being distributed in Federal buildings, without coercion, is insufficient for application of 18 U.S.C. 607" (Committee Report, p. 21). In short, either the solicitor or solicitation must evidence the intent to coerce by admission or on their face, or the person being solicited must prove "victimization," that is, that he felt coerced into giving. I think you will agree that, short of a blatant, mandatory and threatening shakedown, almost everything else will fall outside the net of your criteria.

Because your Committee rules apparently do not permit the formal reconsideration of an interpretation, I would like to formally request an advisory opinion pursuant to your responsibilities under House Rule X, clause 4(e)(1)(D). My question regarding the general propriety of proposed conduct is this: "Would it be permitted, under Federal laws and House rules and standards, for this Member to knowingly solicit political contributions from congressional staff (other than his own) in their offices, provided the solicitation is couched in purely non-coercive, voluntary terms?"

If the Committee's answer is, "Yes, such activities are now permissible under Federal law and House rules," I would be interested in knowing whether the committee thinks such activities should be permitted, and, if not, whether it would recommend a rules change to prohibit them in the future. I would be happy to join in cosponsoring such a change.

Sincerely yours,

TRENT LOTT.

THE DAILY RECORD ON PROTECTING THE JERSEY SHORE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. COURTER. Mr. Speaker, on May 4, 1985, the Environmental Protection Agency [EPA] designated a waste disposal site approximately 115 nautical miles from the New Jersey coast for the dumping of sewage sludge. In September, Massachusetts, faced with a court order to cleanup Boston Harbor, decided to ask EPA for permission to spill its sludge at this site.

I believe that the ocean disposal of treated waste is a practice that should cease, not be expanded. The New Jersey shore has been a dumping ground for others for too long and Massachusetts' proposal is a step backward in New Jersey's efforts to protect its environment, its resources, and its livelihood.

The Federal Government should be seeking alternatives to eliminate the ocean dumping of sewage sludge, not considering new applications that would add to the amount of sewage sludge dumped in the ocean. If Boston succeeds in its request, who is to stop other communities from using this site as well. As the Morristown Daily Record points out in the following excellent editorial, if EPA doesn't sink this idea fast, it can expect a string of applications from similarly affected regions, and it will find difficulty in closing the Pandora's Box once it allows it to be opened.

The editorial from the Daily Record follows:

OPINIONS—IMPROPER BOSTONIANS

The proposal of the city of Boston to dump its sewage in the Atlantic Ocean—at a time when the rest of the East Coast is striving to restrict and eventually eliminate ocean dumping—is abominable enough. That it wants to deposit the material off the New Jersey coast, even 106 miles out at sea, is intolerable.

Granted Bostonians have a problem in disposing of their sludge—doesn't everybody?—but adding to pollution of the sea can hardly be thought of as the proper method of solving it.

Initial feelers about ocean dumping came from the Massachusetts Water Resources Authority last month: It requested federal Environmental Protection Agency approval to barge its sludge from Boston Harbor's island treatment plants to a site 106 miles out, while the authority develops other alternatives for disposing of the material.

New Jerseyans are all too familiar with temporary solutions to sewage problems—witness, for one, the millions of gallons dumped daily at the existing sludge dump site 12 miles off Sandy Hook. And valiant efforts are being concluded to close down that nearby source of pollution of our shores. With success in our grasp—albeit the actual halt to dumping is in the hands of the courts and is still many months in the future—we hardly can be expected to welcome the additional sludge, even 106 miles out.

Initial reaction from EPA spokesmen, and protests from New Jersey officials, are encouraging.

EPA Regional Administrator Christopher Daggett is said to view the 106 mile site as only the "last resort" open to the Bay State's leading city.

Representatives of New Jersey shore communities are particularly vocal in their vows that the state will "stand hard and fast" against allowing other states to dump off the coast; numerous members of the congressional delegation have fired off messages of protest to EPA Administrator Lee Thomas; state Department of Environmental Protection Commissioner Robert E. Hughey has asked the EPA to deny the request, and independent environmentalists are pulling as many strings as they can grasp.

By all that's proper, Bostonians should be the last to wish to abrogate their independence and seek to dump their sewage on a neighbor, thereby adding to ocean and shoreline pollution.

If the EPA doesn't sink this idea fast, it can expect a string of applications from similarly afflicted regions, and it will find difficulty in closing the Pandora's Box once it allows it to be opened.

IN MEMORIAM: LAWRENCE J. O'BRIEN, JR.

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. MANTON. Mr. Speaker, on Sunday, November 3, I lost one of the first friends I had in Washington. Lawrence J. O'Brien, Jr., ended a valiant struggle against cancer.

I first met Larry last year after I announced my candidacy for the Ninth Congressional seat vacated by my predecessor, Geraldine Ferraro. Larry helped me raise needed campaign funds, and he offered me superb political advice.

After I was elected, Larry assisted me in obtaining the one vacant Democratic seat on the Merchant Marine and Fisheries Committee. Larry knew the Committee as well as anyone in town. And with good reason. For three years, Larry served as chief counsel to the committee. During this period, Larry drafted a number of important bills which made their way into law.

After leaving the committee, Larry founded the law firm of Kiernan & O'Brien, which quickly became one of the leading maritime firms in Washington. From his vantage point, Larry was able to offer many members of the committee his

wise counsel and experience. I was fortunate to have been one of the beneficiaries.

Mr. Speaker, Larry served his country with distinction and dignity in Vietnam. As a captain in the U.S. Army, Larry saw extensive combat duty and earned the Bronze Star, the Air Medal, two Army commendations, and Combat Infantryman's Badge. Upon returning to the United States, Larry continued to serve his country in the Army Reserves, where he earned the rank of major.

Mr. Speaker, I know all of my colleagues join me in sending our deepest sympathies to Larry's wife, Melinda, and his daughter, Tara. Although Larry's life was cut short at the age of 38 by this terrible disease, Larry lived life to the fullest. We all mourn Larry's loss today, but we must thank God that Larry crossed our paths and hope that all of us will be blessed with knowing more people like him.

A TRIBUTE TO EVALEE KUNES

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. KOLTER. Mr. Speaker, today I rise to pay tribute to Evallee Kunes. Mrs. Kunes received the Honorary Parent of the Year Award for Parents Day, October 5, 1985, at Geneva College in Beaver Falls. This award was granted to Mrs. Kunes due to her unswerving dedication to her family. Mrs. Kunes raised five of her eight children alone after her husband died. She is also known for her service to her church and community. Timothy Kunes, a junior at Geneva College, nominated his mother for the award. A selection committee chose Mrs. Kunes from a field of nine nominations. The award, a plaque bearing the inscription: "In recognition of your service, dedication, and sacrifice representative of all Geneva College parents on behalf of their children," was presented to Mrs. Kunes during halftime at the Parent's Day football game. I am proud to honor Mrs. Evallee Kunes today before the U.S. House of Representatives.

MESROBIAN ARMENIAN SCHOOL

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. MARTINEZ. Mr. Speaker, I wish today to congratulate the Mesrobian Armenian School of Pico Rivera, CA, on the occasion of its 20th anniversary. The school was founded by members of the Armenian community of the San Gabriel Valley. Descended from immigrants who had been driven from their homeland, these good people wished to preserve their language and culture while preparing their children to pursue the full benefits of American life.

Their dream has been realized, and the Mesrobian Armenian School has grown

and served its students well during the past two decades. Starting with 80 students in 1965, the school has expanded to enroll 520 students currently. It graduated its first high school class in 1975, and it has graduated 300 students since then. Many of its graduates have attended college and returned to make significant contributions to their communities.

American education is characterized by no single thing more than its diversity. From the one-room schoolhouse of the 19th century rural community to the huge public university of today; from the inner-city public school coping with the problems of social and economic hardship to the parochial school seeking to teach religious values as well as secular knowledge—in a multitude of forms, American schools have sought to train our children to be the workers and citizens and leaders of each successive generation. The Mesrobian Armenian School occupies a proud place in this diverse universe of American schools. Its administration and teachers have helped preserve the Armenian heritage and enrich the lives of their students. I wish the staff and students of the Mesrobian Armenian School continued success as it enters its third decade.

CONGRESSMAN
MILLER SALUTES
COSTA PIC

GEORGE
CONTRA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. MILLER of California. Mr. Speaker, I am very proud to call the attention of the House to the commendation recently awarded to the Private Industry Council [PIC] of Contra Costa County.

Contra Costa's PIC received one of 14 distinguished performance awards from the National Alliance of Business for the Special Education Local Planning Agencies' "On-the-Job Training [OJT] Project" for handicapped youth. This unique project brings members of the local business community into our high schools to work closely with special education teachers in order to help students develop skills and contacts to enable them to move into private sector, unsubsidized employment.

Working together in this project are employers, as well as educators, business leaders, union representatives, agencies which serve the disabled and employment specialists. In particular, I want to commend the three special education local planning districts [SELPA's] and the county's school districts with secondary schools, all of which participated in this outstanding program.

The young people who participate are 16-21 year old high school students in special education programs. About one-third of the participants have severe learning disabilities, while others have orthopedic, visual, hearing, or other impairments.

As one in this House who has had a very close involvement in special education and

rehabilitation laws, I appreciate how significant an effort it is to promote economic self-sufficiency for the disabled. Between 50 and 80 percent of disabled adults are unemployed—many because they have been denied adequate education, training, and employment opportunities. Many of those who hold jobs work at substandard wages and often under unpleasant conditions.

The success of the OJT program speaks for itself. Of 82 students in Contra Costa who participated, 59 were hired at the end of the OJT period, working in the food service, clerical, and retail businesses. The program cost per job placement was less than \$3,000. I am delighted that the OJT project is once again being funded this year.

I want to salute Art Miner, the executive director of Contra Costa's PIC, and William Sharkey, who chairs the county effort. I also want to congratulate the 80 employers and other supporters who made this program work by underwriting its creation and by hiring its participants.

And I also want to congratulate the young men and women who are the main beneficiaries of this outstanding program. Their persistence and desire to live life fully and independently is an inspiration to all of us who have recognized the great, untapped potential in so many of our fellow Americans.

The success of the OJT Program is further evidence of the cost-effectiveness of investing in young Americans and helping them develop the skills and training they need to be productive citizens.

OPPOSITION TO THE PROPOSED ARMS SALE TO JORDAN

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. GEJDENSON. Mr. Speaker, I rise today to express my opposition to the proposed arms sale to Jordan. While on the face of it, it may seem perfectly logical for the United States to be selling arms to Jordan, a close examination of the true facts reveal a different story.

The Middle East is still in a state of war and this proposed sale threatens Israel's very security. The fact is that Jordan has attacked Israel three times in the past, in 1948, in 1967 and in 1972. Jordan also allowed a unit of the PLO to fight in Lebanon against Israel as recently as 1982. This arms sale can only erode Israel's already precarious position.

To allow this arms sale is to allow a renewed arms race in the Middle East. Israel's security is almost totally dependent on air superiority, since numerically Israel's ground force is no match for Arab forces. To increase Jordan's air weapons will mean that Israel will also have to increase her air weapons. And if Israel has to increase its defense spending, then the United States will be forced to increase its assistance to Israel.

If there is to be an arms sale, it must wait until the first step toward a peace initiative has been achieved. We must not be rewarding Jordan before they have even agreed to sit down at the peace table. In 1978 Congress approved the sale of F-16's to Egypt and Saudi Arabia, but only because there were ongoing peace talks at the time. To reward Jordan without any definite progress on peace is to set a very dangerous precedent.

In actuality, this arms sale is not truly needed. From 1981 to 1983, Jordan imported over \$3 billion in arms and spent over \$1.1 billion in 1983 alone. This made them the seventh largest arms importer in the world. In contrast, Israel spend only \$370 million on arms in 1983 and ranked 26th in arms imports.

And since we can't even begin delivery on these weapons until 1988 or 1989, this sale will not be of any immediate help to Jordan in defending its borders from hostile nations. There are other, technical means, whereby we can send clear and solid messages to Syria and other nations that to attack Jordan would lead to serious consequences, without actually supplying Jordan with advanced arms.

Mr. Speaker, there are more effective ways of securing Jordan and showing our support for that nation than through this arms sale. To arm Jordan in this manner is to invite further instability into an already highly volatile region. We are not doing anyone any favors by approving this sale.

HONORING ROY McDONALD

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mrs. LLOYD. Mr. Speaker, on October 14, 1985, Roy McDonald of Chattanooga, TN was awarded the coveted Dorothy Patten "Love of Chattanooga" award.

Roy McDonald is a true American great. If the term "rugged individualist" had not already been phrased, it would have when Mr. McDonald came along. He epitomizes the admirable concepts of personal faith in Jesus Christ, love of country, hard work, meeting challenges head-on, achievement, and then using his accomplishments to help other people.

Roy McDonald was born in the little town of Graysville in the northern end of Hamilton County on November 25, 1901. He remembers the time when it was an overnight trip by wagon with this father to get to Chattanooga. He grew up in Chattanooga, helping his father in a family grocery store and carrying a newspaper route. Both of these activities were to play a large part in his life.

From a 70-store grocery chain, which he developed, sprang a newspaper originally called the Chattanooga Free Press. The paper became a daily in August of 1936. Roy McDonald is the founder and publisher of today's Chattanooga News-Free Press, the community's largest newspaper.

The attributes that made Roy McDonald successful in business were also beneficial in his service to this fellow man. Active in many civic causes, his love for Chattanooga has been evidenced for more than eight decades. For example, he has headed the Chamber of Commerce, led the Community Chest Drive and was chairman of the board of Erlanger Hospital for more than 20 years. Roy McDonald is credited with bringing prepaid medical insurance to the community through Blue Cross-Blue Shield of Tennessee.

A man who has little interest in material things, he is happiest when facing a challenge and when serving quietly and humbly. Always an optimist, always eager to forge ahead to bigger and better things, he has been outstanding among the leaders and the servants of the Chattanooga community and its people.

This award is presented only to those people who have distinguished themselves in long-time community service and professional activities and by contributing to the enrichment and development of the community apart from the person's business or professional life. I applaud the choice of Roy McDonald as this year's recipient.

A TRIBUTE TO DR. AARON CAPLAN

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. KOLTER. Mr. Speaker, today I rise to salute a constituent of the Fourth District of Pennsylvania, Dr. Aaron Caplan.

Dr. Caplan is being honored by American Legion Post 157 for his exemplary work as a physician for 50 years and for the his valor as a combat doctor in World War II. Mr. Speaker, I would like to share some information about Dr. Caplan with our colleagues.

Dr. Caplan graduated from Lincoln High School in 1926. He went on to attend Geneva College in Beaver Falls in 1928 and 1929, concluding his undergraduate work at the University of Pennsylvania in 1930. In pursuit of his lifelong dream to be a physician, Aaron Caplan traveled to Scotland where he studied medicine at the University of Glasgow Medical School. After graduating with his degree in medicine in 1935, Dr. Caplan returned to Pennsylvania. He interned at Passavant Hospital in Pittsburgh for 1 year after which he returned home to Ellwood City to open his private practice. The doctor's office on the second floor at 523 Lawrence Avenue, which was opened in 1936 has proudly remained the workplace for Dr. Caplan for the past 50 years. Only once was the practice of medicine interrupted at this location. From April 1941 to December 1945 Dr. Caplan left the community and his practice to serve his country in the Army Medical Corps. A major in the 29th Division Artillery, Dr. Caplan served in Normandy, France and was involved in D-Day. His efforts earned him the Bronze

Star with oak leaf cluster for meritorious achievements.

Dr. Caplan's dedication to this community extends beyond his vocation. In 1967 he was honored by the Jaycees for the Senior Citizens Distinguished Service Award. That same year he held the position of chairman of the Ellwood City borough's diamond jubilee. He was active in the establishment of a blood bank program for the city, was president of the chamber of commerce in 1965 and was the president of the Ellwood City Hospital medical staff. He is a charter member of the Ellwood City Lions Club. The list of Dr. Caplan's civic accomplishments and organization memberships is virtually endless. Suffice it to say that Dr. Caplan is a man of action who has played an integral part in making Ellwood City a safer, healthier place to live over the course of the past 50 years.

In spite of bouts with illness over the past 5 years, Dr. Caplan has continued to service the community diligently, decreasing his workload by a mere hour each day. This man of strength has no immediate plans for retirement since his concern for his patients overrides his desire for relaxation.

Mr. Speaker, I ask that you join American Legion Post 157, his wife Anne, and their three children, Harvey, Barbara Azio, and Rebekah in honoring Dr. Aaron Caplan.

CONGRESSIONAL CALL TO CONSCIENCE

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. BOSCO. Mr. Speaker, I rise today to add my voice to those of my colleagues who are protesting the continued persecution and mistreatment of Soviet Jews. As a participant in the Congressional Call to Conscience, I would like to bring to my colleagues attention the plight of a young refusenik that I have adopted.

Pavel Astrakhan was born in 1955 and first applied to emigrate in 1978. He was refused permission to do so on the grounds that he "choose to emigrate without his elderly parents, thus breaking up a family." Although Pavel is an English teacher/translator by profession, he is unable to find work. Thus, he devotes a great deal of his time to studying the Torah and helping other Jews process their applications for emigration. Pavel is also involved in religious seminars which take place unofficially and are attended by refuseniks and non-refuseniks. As many as 100 people have attended these seminars at one time; however, a tourist has reported that attendance has begun to drop off because of KGB raids on the homes where seminars are held. Pavel lives in Leningrad with his wife Sonya and their two-year-old daughter Ruth. In 1984, the family received an invitation and began the long procedure of re-submitting their emigration papers once

again. Unfortunately, on July 12, of this year, Pavel received notice that they had once again been refused the right to emigrate.

Mr. Speaker, every day 2 to 3 million Jews residing in the Soviet Union are denied the basic freedom of religious expression and experience routine discrimination in education, social life, and employment. Physical abuse, unlawful property searches, and arrests on trumped up charges are not uncommon. Anti-Semitism is officially endorsed and propagated. While the practice of the Jewish religion and culture is prohibited, Jews are also denied the right to emigrate. Pavel Astrakhan and his family are just one example of the plight of thousands of Soviet Jews striving to free themselves from religious persecution.

It is my hope that when President Reagan meets with the Soviet Secretary General Gorbachev in Geneva this month, that the issue of human rights, especially for Soviet Jews, will be among the top items to be discussed. We in the Congress and the American people must insist that immediate action be taken to ensure that the Soviet Government comply with the Helsinki accords. We must continue to focus attention on the issue of Soviet Jewry so that one day soon individuals like Pavel Astrakhan may be granted the right to worship free from the threat of reprisal.

BRUIN/TROJAN SUPERSTAR CLASSIC 10TH ANNIVERSARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. DORNAN of California. Mr. Speaker, I rise today to pay tribute to a group of athletes in southern California who will soon resume an old rivalry for a worthy cause when they play softball against one another in the Bruin and Trojan Superstar Classic.

The Bruin and Trojan Superstar Classic was conceived some 10 years ago by a group of community leaders seeking a way to unite traditional rivals UCLA and USC in an event that would benefit the pediatric programs serving special children at both schools. The special children are the handicapped and chronically or terminally ill children.

Little did this group of leading business and civil volunteers know that their dream would turn into an annual event that will soon celebrate its 10th anniversary. I understand that plans are already being finalized for the Big 10th, which will be held on May 31, 1986, at UCLA's Jackie Robinson Stadium. It should be a marvelous day for the players, the fans, and most importantly the special children.

This effort is in large part made possible by the commitment of an enthusiastic and energetic committee under the direction of Superstar Classic President Bob Goetz and Vice President Marc Franz. Mr. Goetz and

the dedicated executive committee and board of directors given countless hours of their time in organizing this event. And although they don't receive the attention the players do, without their enthusiasm and plain hard work the game would not be possible.

The players too are to be highly commended. As I look down the list of prior participants, I see the names of some of the finest football players ever to come out of these two schools, such as: Marcus Allen, Pat Haden, and O.J. Simpson of USC; and Mark Harmon, Freeman McNeil, and Wendall Tyler of UCLA.

Mr. Speaker, I ask that the player roster of the Bruin/Trojan Superstar Classic be admitted in the RECORD as we may pay tribute to these outstanding athletes.

If nothing else, the Bruin and Trojan Superstar Classic clearly illustrates that when we give of ourselves for a worthy cause, we are all winners. I would therefore urge my colleagues and the citizens of our great country, especially those in southern California, to join with the other Superstar Classic supporters, President Ronald Reagan, Los Angeles Mayor Tom Bradley, and head coaches from the two schools, Dr. Jerry Buss, and leading California corporate sponsors, in supporting this tremendous initiative and to help make the Big 10th the best year yet.

Let's do it for the children.

BRUIN AND TROJAN SUPERSTAR CLASSIC PLAYER LIST

UCLA

Larry Agajanian, Kermit Alexander, Kurt Altenberg, Norm Anderson, Foster Anderson, David Baran, Terry DeBay, Peter Boermeister, Steve Bono, Jim Brown.

Theodis Brown, Paul Cameron, Randy Cross, Dave Dalby, Peter Dalis, Jeff Dankworth, Ron Debose, Terry Donahue, Charles Doud, Dennis Dummit.

Ken Easley, Keith Eck, Oscar Edwards, George Farmer, Tom Fears, Robert Ferrier, Cliff Frazier, Bob Geddes, Mark Harmon, Ron Hull.

Jerry Jaso, Kermit Johnson, Ed Kezirian, Vic Lepisto, Don Manning, Frank Manumaleuna, Michael Martinez, James McAllister, Patrick Marty, Freeman McNeil.

Rev. Donn D. Moomaw, Max Montoya, Dennis Murphy, Byron Nelson, Tim Oesterling, James Owens, Bob Pifferini, Rick Purdy, Severn Reece, John Richardson.

Nelson Rising, Jerry Robinson, Jim Salisbury, John Sclarra, Rob Scribner, Bob Smith, Frank Stephens, Bob Stiles, John Tautolo, Terry Tautolo.

Greg Taylor, Wendell Tyler, Rick Walker, Tim Wrightman.

USC

Marcus Allen, Chuck Arrobio, Bill Bain, Art Battle, George Bozanic, Willie Brown, Brad Budde, Raymond Butler, Mario Celotto, Jay Chaplain.

Bob Chandler, Leon Clarke, Marvin Cobb, Al Cowlings, Sam Cunningham, Mario Da RE, Anthony Davis, Clarence Davis, Sam Dickerson, Dave Farmer.

Craig Fertig, Jeff Fisher, Chris Foote, Mike Garrett, Frank Hall, Pat Haden, Rob Hertel, Hudson Houck, Fred Hill, Marv Goux.

Dennis Johnson, Rex Johnston, Bob Klein, Myron Lapka, Tony Linehan, Ronnie

Lott, Rod Martin, Earl McCullough, Mike McGee, Marlin McKeever.

Rod McNeill, Bruce Matthews, Clay Matthews, Ron Mix, Manfred Moore, Pat Morris, Don Mosebar, Anthony Munoz, Richard Perry, Bob Peviani.

Danny Reece, Steve Riley, C.R. Roberts, Rod Sherman, O.J. Simpson, Dennis Smith, Lynn Swann, Calvin Sweeney, Mose Tatupu, Dennis Thurman, Ted Tollner, Charles White, Ron Yary, Charlie Young.

PERSONAL EXPLANATION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. BARNES. Mr. Speaker, I was unable to be present for two votes on Friday, November 1, and would like to use this opportunity to indicate my position on them.

On rollcall No. 389, passage of H.R. 3669, to prevent disinvestment of the Social Security Trust Fund, I would have voted "yea."

On rollcall No. 390, adjournment of the House, I would have voted "yea."

TRADITIONAL PRINCIPLES IMPORTANT TO ETHNIC AMERICANS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. LIPINSKI. Mr. Speaker, I rise this afternoon to bring to the attention of my colleagues, a speech which I gave before the Polish American Congress in Chicago on October 12, 1985. While I was speaking from the perspective of co-chairman of the Council on Ethnic Americans of the Democratic National Committee, I believe that the observations which I made are important enough to be brought to this body, regardless of political affiliation. America was founded on great traditional principles and I believe it is appropriate that we re-examine these principles; especially as we get close to our national day of Thanksgiving.

SPEECH BEFORE POLISH AMERICAN CONGRESS

It is indeed an honor and a privilege to be here this evening to address the Polish American Congress. Your efforts on behalf of the Polish community are truly noteworthy and I commend each and everyone of you.

America's strength as a world leader can easily be attributed to her diverse and talented people. From her birth, America—this land of opportunity has been a haven, a promise and a dream. Men and women have come to our shores to escape poverty and repression. They have come to seek work, to seek liberty, to seek justice and equality, and to build a future of hope for themselves and their families.

For all of our ancestors who came from every nation on earth, the American dream is as much theirs as it is ours. It is as much yours as it is mine.

You, who are members of the Polish American Conference, have a rich and vibrant heritage whose values and accomplishments have contributed significantly to the development of this country.

By any measurements, you can congratulate yourselves on the many successes you have achieved to date. However, the question I wish to specifically address this evening is how Ethnic Americans can enhance their voice in the American political process.

As you may be aware of, I was recently appointed co-chairman of a National Democratic Advisory Committee on Ethnic Americans.

Before I go any further, let me define what I mean by Ethnic Americans. I mean the middle class, blue collar, white collar workers and small business people of the following ethnic backgrounds: Lithuanian, Italian, Polish, Irish, German, Croatian, Ukrainian, Armenian, Bohemian, and other Eastern and Southern European descents.

There is no question in my mind, and the facts bear it out, that since the mid-1960's, Ethnic Americans have been drifting away from the Democratic Party and the political process in presidential, gubernatorial and senatorial elections.

Undoubtedly, Ethnic Americans can play a significant role in upcoming elections, however, this will only be accomplished if both major parties become more cognizant of various ethnic concerns.

Last year the Democratic party's council on Ethnic Americans held hearings across the country in cities with large ethnic populations. As a result of their testimony, the council proposed an Ethnic American plank in the Democratic Party platform calling for an end to discrimination and ethnic stereotyping. As you know, this plank was approved at the convention in San Francisco and is now incorporated into Democratic Party policy.

But this is certainly only the beginning. The task of the Democratic Party is not yet complete although the party is going through a period of reassessment, we cannot turn our backs on the principles which have been our traditional strength. We cannot abandon the small, but highly Democratic groups because to do so would be to abandon the values that make us Democrats. To do so would be tantamount to abandoning our souls. But we must expand our horizons and broaden our appeal.

To retain its vitality, the Democratic Party must continue to work with all ethnic groups while maintaining as its underpinning, those principles which give our party strength—the hopes and aspirations that we know as the American dream.

How can we encourage and persuade Ethnic Americans to strengthen their collective voice in the political process? There are a number of ways to achieve this objective. The first step obviously will be for American political leaders to address issues of special concern to Ethnic Americans.

Some of these issues which continue to inflame the hearts of ethnic voters include national defense, abortion, student loans, school prayer, reverse discrimination and tuition tax credits.

Ethnic Americans are proud to be Americans but feel that they no longer have control over their lives and principles of thrift, hard work, and self-reliance are no longer respected. More importantly, Ethnic Americans honestly believe that the cherished values and traditions, which have been the backbone and foundation of this country, have been forgotten.

Ethnics were told that if they worked hard, studied hard, and abided by the law, they would be rewarded. Now, our courts exercise an unfair amount of control over promotions, hiring, housing, health and education. Ethnics are upset by the apparent substitution of race and gender for what they were taught was merit. Ethnic Americans feel a sense of bitterness when they are denied job opportunities or promotions because of government enforced affirmative action programs.

In addition, we, in the Democratic Party, must realize that Ethnic Americans have only been on the fringe of benefits promoted by our party over the years and, therefore, justifiably feel discriminated against as do other minorities, though without any compensatory consideration.

I am pleased to announce, however, that just this past week the House of Representatives approved legislation which, among other things, calls for a study of whether the Federal government's hiring and promotion practices are consistent with the applicable provisions of law prohibiting discrimination on the basis of sex, race, or national origin. An amendment to this legislation which I introduced and which is now incorporated in the bill re-defined the term "National Origin", to include individuals of all ethnic backgrounds that have historically suffered discrimination such as those with Italian, Polish, German, Irish, Lithuanian, Ukrainian, Yugoslavian, Czechoslovakian or other ethnic backgrounds.

What is noteworthy here is that we finally have an official recognition and concern for persons of different ethnic backgrounds. Ethnic Americans represent the main stream of our great country and for too long they have been taken for granted. Their interests have been badly neglected especially at the Federal level.

Individuals of different ethnic backgrounds must no longer be overlooked. This effort on behalf of Ethnic Americans was only the beginning of a movement to ensure further recognition of their concerns.

Additionally, I would urge each and every one of you to become more active in the DNC's council on Ethnic Americans. This National Forum has already had a significant impact on the Democrat's Party platform and policies and has also inspired the Republican Party to become more in tune with ethnic concerns.

These, like all aspects of American society, are parts of a process. I will continue to listen to your concerns and facilitate your participation in the process.

We, in the Democratic Party, must continue to develop cohesive programs that will remove the political isolation that many Ethnic Americans feel today, and again instill within us all a sense of security, dignity and pride.

Let us together continue to nurture and build that American dream.

Thank you.

POLITICS GETTING IN THE WAY OF POLICY

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. MILLER of Ohio. Mr. Speaker, the political drum beating is getting louder as the debate builds over the unresolved

budget reduction provisions attached to the debt limitation legislation.

The majority Members of the House of Representatives, thinking they have happened on to a major political issue of benefit to their party, are unloading their criticism on the administration for permitting the disinvestment of the major federally administered retirement trust funds. They have gone so far as to schedule a hearing to call public attention to the administration's actions in this regard, the end product of which will be the sounding of an unwarranted alarm to our Nation's senior citizens that their future benefits are needlessly being jeopardized by an administration more concerned with its own financial priorities than with our Nation's retirees.

Supporters of reduced Federal spending and of the need for establishing a legislative vehicle that would mandate a balanced budget in the years ahead, feel that many Members of the majority party in the House are purposely distorting the debt ceiling/disinvestment issue and are sitting on their hands letting the situation unnecessarily worsen so that they in turn can accomplish the own political ends.

If this were a case in court, the evidence of their shenanigans would be there for all in the jury to see, but unfortunately this is a case that will be tried in the media and in our Nation's election precincts. It will be aired in the context of political partisanship rather than in the context of a policy debate as it should be.

One only has to look at the recent developments in Congress to see who the heavies are. On Friday the House passed a temporary extension of the debt ceiling, an action which I supported and one which would have precluded any need to go forward with the disinvestment of federally administered retirement trust funds. However, it then voted to adjourn before the Senate could take commensurate action.

So much for getting the bill to the White House in time to eliminate the need for going forward with disinvestment. One can't help but conclude that the majority party in the House of Representatives is more interested in pursuing its political objectives than the policy objective of a more balanced Federal budget, a position that is shared by the vast majority of Americans these Members have been elected to represent.

THE RETIREMENT OF MAJ. GEN. JAMES W. TAYLOR

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. MATSUI. Mr. Speaker, I rise today to bring to the attention of the House of Representatives the retirement of Maj. Gen. James W. Taylor. The general, whose activism and meritorious achievements span both the civilian and military areas, was honored on November 2, 1985, as part of the Individual Mobilization Augmentee

Conference for Northern California Air Force Reservists. The tribute took place at McClellan Air Force Base in Sacramento.

General Taylor is mobilization assistant to the commander, Air Force Logistics Command at Wright Patterson Air Force Base in Ohio. His many military decorations and awards include the Air Force Commendation Medal, American Defense Service Medal, Air Force Longevity Service Award Ribbon, Armed Forces Reserve Medal with hourglass device and Small Arms Expert Marksmanship Ribbon. In 1974, General Taylor was selected as Reservist of the Year.

In his civilian capacity, General Taylor is president of three organizations: Potter, Taylor & Co., Inc., a real estate and development firm; Potter Investment Co.; and McMicking-Potter Development Corp. He is also on the advisory board of the River City Bank.

The general's civic affiliations have included past president and vice president for metropolitan development, Sacramento Metropolitan Chamber of Commerce; president of Chapter 51, Reserve Officers Association; vice president of Chapter 116, Air Force Association; member of the board of directors and chairman of the Industrial Commercial Division, Sacramento Board of Realtors; member of the board of directors, Sacramento Area Commerce and Trade Organization; advisory board, Volunteers of America; advisory board, Tuberculosis and Health Association; Sacramento Rotary Club; Sutter Club; board of directors, Comstock Club and Society of Logistics Engineers.

Mr. Speaker, on behalf of the people of Sacramento and McClellan Air Force Base; I want to commend General Taylor on his illustrious career spanning over three decades and thank him for his dedication and outstanding service to the people of the United States of America.

THE REPRESSION OF JEWS IN THE SOVIET UNION

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. DAUB. Mr. Speaker, for the Soviet Jew, 1984 lived up to George Orwell's grisly prediction of state repression. In all of that year, only 896 Soviet Jews were permitted to leave the Soviet Union. This is 896 out of the more than 350,000 who requested permission to leave.

The fact that 350,000 out of a total population of the 3 million Jews in that country willingly faced the increased persecution leveled at all who ask to leave, demonstrates the grave circumstances under which these people live.

The entire cultural life of the Jewish community is imperiled. Slandorous, persistent, anti-Semitic rhetoric oozes daily out of what the Soviet Union calls a press. This vindictive infects the air inciting systematic persecution. Even the teaching of

Hebrew now brings 7 years of hard labor in a Soviet gulag.

Of course the Jewish population is not alone in activism for greater personal and cultural freedoms. Minimal, even token, expressions of freedom by the rest of the Soviet concerned citizenry is ruthlessly suppressed. The "treatment" for such activities is liberal doses of gulag and psychiatric hospitals.

The Soviet Union signed the Final Act of the 1975 Conference on Security and Cooperation in Europe, known as the Helsinki accords. That document guarantees basic freedoms including the right to practice religion and even emigrate. The Soviet Union, particularly in the case of Soviet Jews, has systematically violated both the letter and spirit of this agreement.

It has been said that the Helsinki accords, if observed by the signators, would be the greatest peace agreement of all time. Andrei Sakharov, the only Russian to be awarded the Nobel Peace Prize, warned that his government's failure to observe human rights is directly related to Soviet conduct in its external affairs.

Without compliance to the provisions of the Helsinki accords, voices of moderation in both internal and external affairs are silenced. These voices can have an impact on the Soviet Government. Witness the successful pressure Sakharov brought to bear on Khrushchev to accept President Kennedy's Nuclear Test Ban Treaty.

We have a right, and indeed an obligation, to insist on Soviet compliance with the provisions of this document. Since being elected to Congress, I along with a number of my colleagues in Congress have continuously written Soviet officials about the plight of Soviet Jews, especially refuseniks. We urge compliance with this agreement. This pressure will continue.

We in the West have a moral obligation to work for easing Soviet repression of Jews and other minorities in that country. This obligation springs from a humanitarian commitment rooted in our cultural and political heritage. This commitment finds its expression in a desire to relieve suffering and see the human spirit flourish rather than languish.

It must also be remembered that we have a direct interest in seeing the lot of the Soviet Jew improve. Soviet actions against its own citizens are an indication of what to expect of its behavior in the international arena. The more responsible the Soviets become at home, the more responsible they will be abroad. This is the lesson from Sakharov and what is meant by the statement that the Helsinki accords could be the greatest peace document of all time.

It is for all these reasons that I have written to the President urging that he raise the issue of Jewish emigration with Soviet leader Mikhail Gorbachev in their meeting later this month. The United States has a unique opportunity to help end Soviet repression of a minority which has sadly continued for hundreds of years.

IN HONOR OF JUDGE GIBBENS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. DORNAN of California. Mr. Speaker, I was extremely saddened to learn recently of the death of Santa Monica Municipal Court Judge W. Blair Gibbens.

Judge Gibbens was a truly great man whose life touched literally thousands of people. He was a driving force in developing many of the charitable and legal organizations still in existence in Santa Monica. Moreover, he encouraged many of his legal clients to bequest literally hundreds of thousands of dollars to the Crippled Children's Hospital of Los Angeles.

But the judge is probably best remembered as the "Traffic Judge," a nickname he earned for meting out unusual punishments for routine traffic violations. During his tenure as judge, from 1961 to 1970, newspapers throughout America, indeed the world, headlined stories on his imaginative and effective penalties.

For instance, the judge would sentence motorists cited for running stop signs to stand guard at crosswalks for children and ordering offenders to display "Traffic Violator, Santa Monica Municipal Court" bumper stickers on their cars. He even had a flower draped coffin wheeled into his courtroom, which he tapped while meting out sentences. In short, he was a good man who used his position to advance many worthy values.

The judge is survived by two daughters and seven grandchildren, some of whom I am well acquainted. And after recently becoming a grandfather for the fourth time, I can tell you with certainty that the judge died a wealthy man.

In my view, the best one can hope to accomplish in life is to make a difference. The very Honorable Judge W. Blair Gibbens made a big difference in the lives of countless people, and for that we owe him our eternal gratitude and for that we pay him tribute here today.

THE EMMANUEL CANCER FOUNDATION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. COURTER. Mr. Speaker, I rise to commend the Emmanuel Cancer Foundation for Children and Their Families, and its founders, Joseph and Susan Vizzoni. In 1981, the Vizzonis of Summit, N.J., lost their only son, 7-year-old Emmanuel, to cancer. It is in his memory that they started the foundation whose aims are to increase the quality and availability of pediatric cancer and counseling services in New Jersey.

The costs of cancer to our society are staggering. The social and economic impli-

cations of cancer for the victims and for society as a whole are pain, suffering, disability; millions of years of life lost; and tremendous amounts of human and economic resources devoted to detection, prevention, and treatment.

The social costs—personal catastrophes that cancer brings to individual victims and their families—will never be fully measured. Yet the economic costs of cancer have to some extent been assessed, and the numbers are significant.

For example, the National Center for Health Statistics did a study in 1980 which showed that the comprehensive medical costs for Americans with cancer were \$10.8 billion. When one considers the 20-percent annual inflation rate for medical care, it is quite likely that this \$10.8 billion figure has almost doubled in the 5 years since that study was completed. Of course, more difficult to measure are the billions of dollars of economic output forgone each year due to lost human resources.

It seems clear to me that the only way to combat this disease which causes so much waste, pain, and grief is through the dedication and simple desire to be of service that is present in the Vizzonis and all who are involved in the Emmanuel Cancer Foundation.

Somehow, Joseph and Susan have managed to turn the tragedy of their son's death into a triumph for other children with cancer. Today, 57 percent of those children can be cured. With the help of the

Emmanuel Foundation in New Jersey, and similar organizations across the country, I am confident that cure rate will 1 day be 100 percent.

SATELLITE DISH OWNERS NEED FAIR DEAL

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 5, 1985

Mr. SCHUETTE. Mr. Speaker, on October 29, 1985, Congressman TIM WIRTH, chairman of the Energy and Commerce Subcommittee on Telecommunications, Consumer Protection and Finance, announced that in January hearings on scrambled satellite programs will be held. I am pleased that we will finally address this situation.

I became a cosponsor of both satellite bills currently under consideration in the House because the satellite dish owners in my rural district should have equal access to educational, informational, and entertainment programming. H.R. 1769 and H.R. 1840 would encourage a marketplace resolution to a nationwide crisis that faces all of rural America. With the advent of home satellite Earth stations, a variety of television programming can now be delivered directly into our homes. It is America's rural areas that benefit from this technological

development. Without satellite Earth stations, millions of rural Americans, including many from the 10th District of Michigan would be excluded from television programming.

Recently, television program distributors nationwide have announced plans to scramble television signals. Some indicate that satellite dish owners will be cutoff from services; some indicate that only they will offer antiscrambling devices. This monopolistic approach will hurt the rural satellite dish owners in mid-Michigan; scrambling cuts off the only access my folks in the district have to television programs. The issue at hand is not payment but fairness. I have talked with many dish owners in the 10th District and they have categorically stated that they do not want a free ride and they are willing to pay, but they don't want to be taken to the cleaners for these services. The two bills in Congress will clarify Federal policies regarding the right to view scrambled satellite programs at reasonable prices, terms, and conditions. Other provisions would be directed to prevent monopolistic control of a satellite viewers' access to programming.

I am committed to fairness in the marketplace. H.R. 1769 and H.R. 1840 will ensure the continued availability of television programming at fair and reasonable prices. Rural viewers cannot be excluded from these services. It is for these reasons that I am working for the passage of these bills.